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30 DECEMBER 1986

# Latin America Report

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NEW PRESIDENT ELECTED TO CARIBBEAN CONGRESS OF LABOR

Kingston THE DAILY GLEANER in English 11 Nov 86 p 1

[Text]

MR. LASCELLES BECKFORD, Vice-President of the BITU, was elected the new President of the Caribbean Congress of Labour for a three-year term, at the Ninth Triennial Congress of the CCL which ended on Saturday at the Jamaica Pegasus Hotel, New Kingston.

Mr. Beckford received 36 votes to 19 for Mr. Leroy Trotman, Deputy General Secretary of the Barbados Workers Union. Mr. Burns Bonadie, St. Vincent, a former Secretary/Treasurer of the organization was elected First Vice-President; Mr. Malcolm Daniel, Antigua, elected Second Vice-President; and, Mr. Pablo Cova, Curacao, Third Vice-President.

Mr. Beckford was a Vice-President of the organization during the past three year term of Mr. Leonard Archer, Bahamas.

The conference also passed resolutions dealing with Apartheid; Unemployment; and, calling for the inclusion of a Human Rights Article

in the Caricom Treaty.

The resolution calling for the including of the Article read: "BE IT RESOLVED that the delegates attending the Ninth Triennial Congress of CCL in the Pegasus Hotel Jamaica supports and press for the inclusion of a Human Rights Article in the Caricom Treaty and;

"BE IT FURTHER RESOLVED that the CCL calls on other regional institutions/organizations to lend their support for same."

The resolution on Apartheid demanded an immediate end to the system, and expressed support for the actions being taken by Caribbean and international organizations to bring about urgent change in South Africa.

The resolution on unemployment, "condemned" the high level of unemployment in Caribbean countries, particularly among young people, and deplored the inability of Caribbean governments to find ways of overcoming the problem.

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CSO: 3298/051

JAMAICAN TRADE WITH TRINIDAD-TOBAGO REMAINS TROUBLED

Kingston THE DAILY GLEANER in English 7 Nov 86 p 23

[Text]

THERE are still major areas of concern affecting exports from Jamaica to Trinidad although some of the problems have been resolved. One concern is a 25% customs duty that was invoked by Trinidad's customs in August, and which has made adhesive exports from Jamaica to that market uncompetitive.

As a consequence of the duty, since August Henkel Chemicals (Caribbean) and Steinhil Chemicals have been asked by their customers in Trinidad to suspend adhesive shipments, the *Gleaner* has been reliably informed.

The 25% duty has been legitimately levied by Trinidad's customs under Article 13 of the annex to the Treaty establishing CARICOM.

Under Article 13, a country can treat a specified list of products of CARICOM countries as if they are from a third country and levy a customs duty on them. Trinidad had however not previously invoked Article 13.

The Jamaican High Commissioner to Trinidad has made representations to the government in writing with a view to the duty being revoked and this is being looked at favourably, it is understood. The High Commission has to date had no written response

from the Trinidadian government officials however.

It has been learnt that the Henkel operations are being adversely affected by the situation in Trinidad, as approximately 80% of their exports to CARICOM consists of adhesives and 80% percent of the adhesives on the Trinidad market used to be made by Henkel.

Since 1983-84 when Henkel's exports to CARICOM were in excess of J\$5million, the Trinidad trade embargo has resulted in a substantial reduction in the company's exports sales. As part of a multinational Henkel (Caribbean) is restricted to exporting to the Caribbean area. The company's 1985 exports fell by 42% compared to 1983-84 and their 1986 exports are expected to be 25% of the 1983-84 figures.

A Henkel spokesman commenting on the situation disclosed that their factory was now being considerably under-utilised. "When the Trinidadian dollar was devalued our products automatically became more expensive and we tried to cope by revising some of the prices on them. Since August we have been trying to balance the situation by increasing our adhesive sales here. But we are devastated," he said.

Steinhil Chemicals also told the *Gleaner* that the imposition of the

duty was affecting its "throughput and profitability."

Meanwhile another major problem with Trinidad involving the issuing of ECO's (foreign exchange approval) and licenses has now been satisfactorily resolved, it has been learnt.

At the CARICOM Heads of Government meeting in July, Trinidad had given the undertaking that within its limited amount of foreign exchange, authorisation for CARICOM trade transactions would be given priority. It was also agreed that licenses and ECOs would be granted simultaneously. The Jamaica National Export Corporation has told the *Gleaner* that Since September 1, licences have been granted freely for all products from Jamaica and where there have been problems they have been minor. However the stamp duty is not applicable to raw material imports by the Trinidadian manufacturers.

It is understood that the matter has been raised at Government level and by the Jamaican private sector with their counterparts in Trinidad and that the exporting community is optimistic that the stamp duty will not be applicable in 1987 for goods from CARICOM countries.



EX-MP TRYING TO UNITE OPPOSITION POLITICAL FORCES

St Johns THE WORKERS VOICE in English 15 Nov 86 p 1

[Text]

In an effort to dislodge the A.L.P. Government the Opposition forces in the country are once again talking about a united front to contest the next general elections which are not constitutionally due until 1989, but the way the parties without representation in Parliament are behaving one would think that elections were due next year.

Since the return to the country of ex-parliamentarian Donald Halstead who fled to the U.S.A. some 8 years ago, rather than face charges of fraud, this movement has gained momentum. Halstead has stated his intention as that of bringing all opposing forces together in order to win the 1994 general elections and possibly win some seats in 1989 elections in order to form a Parliamentary Opposition.

Halstead has recently appeared on the public platforms of both the U.N.D.P. led by the elite conservative Dr. Ivor Heath and the A.C.L.M. headed by the extreme left-winger, Tim Hector. Halstead has indicated to the audiences at both meetings that he saw himself as the person who is destined to bring all parties together. He did not say under whose leadership these strange bed-fellows would march forward. It is known that many middle-class persons in the Doctor's party do not want to be

associated with Halstead in any way as it would taint their lilly-white souls, and their wives and family would not tolerate such an individual being invited home for tea.

On the other hand the Cadres in the A.C.L.M. who like to boast to the electorate that their hands are all clean, not one of them 'has in hair', say that they could not become tinted by associating with the new commer, but are willing to use him for a while in order to get him to take over the A.W.U. and present them with a Union-base on a platter, so that they may improve their 1% votes at the next General Elections.

Meanwhile all political interested persons are watching to see once again what would become of this so-called 'merger, which seem to come up every two years. The ALP in the mean time continues to move the country forward.

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COORDINADORA'S NOSIGLIA ON POLITICAL ALLIANCES, DIFFERENCES

Buenos Aires LA RAZON in Spanish 19 Oct 86 p 21

[Interview with Enrique Nosiglia by LA RAZON correspondents Jose Antonio Diaz and Luis Majul at a Mina Clavero hotel; date not specified; first paragraph is introduction]

[Text] The UCR [Radical Civic Union] summit meeting in Mina Clavero provided one surprise from a journalistic standpoint: the opportunity to interview one of the most influential men in the party's primaries and in the government; he is also one of the most press-shy. Enrique "Coti" Nosiglia received LA RAZON and a correspondent from the daily CLARIN, to whom he outlined his opinions on various current issues: the alliances with the provincial parties, his alliance with Armando Cavallieri in the commerce trade union, his public image and his differences with other leaders of the Coordinadora. LA RAZON herewith presents the complete text of the interview.

[Question] Why did you decide at this point to grant this sort of interview for the first time?

[Answer] I felt a personal obligation to do so. As you know, I was a member of Radical Youth for many, many years, and many of my friends and I, who began this work together in the party in the 1960's, strongly hoped that some day Radical Youth would have the sort of leading role, the involvement in the life of the UCR that it has today. As Giorgetti said in his speech opening the meeting: It was the youth who in fact encouraged their elders to start the discussion. Or more accurately, to continue and intensify it. The party's National Committee also felt motivated to play a leading role in this event, in a different way but with the same spirit of discussion and exchange of very valuable experiences. We have succeeded in gathering together here leaders from all over the country who are gaining experience in both the government and the opposition, in both the party and through the superstructure of the State. I could not help but show how happy I am at a gathering like this. That is the reason for my active involvement in all this, including interviews if necessary.

[Question] Did you make a political decision to emerge from the background, or is this a joke because it's the 17th of October?

[Answer] Could be, could be...(laughter). No, it is not a political decision. I have not made a political decision not to grant interviews. I just think that there are times when Radical leaders are too much in the limelight. They have expressed positions with which I agree, which is why until now I have felt no need to speak out. Today, since I feel like a leading player, I think that now is a good time to converse with you. Moreover, because I want all this to be brought out accurately from a political standpoint. I fear and worry a great deal that certain very minor episodes are blown up and categorized as significant political events.

[Question] For example?

[Answer] I was told a while ago about some tension among the audience that I did not see. I later approached the speakers platform, said hello to people with my friend Changui (Luis Alberto Caceres, a national deputy from Santa Fe), and in general we noticed none of the tension that was supposed to be in the air.

[Question] But your embrace with Caceres looked every bit like a highly significant political gesture, didn't it?

[Answer] Yes, there is no doubt that it was a political gesture. Changui and I have been activists in this party for years. We saw eye to eye in our activism when we were younger in the Renewal and Change Movement, and we see eye to eye now as members of the Coordinadora.

[Question] But the political differences or nuances are a fact, they exist.

[Answer] Yes, there are nuances. He is in Santa Fe Province and reflects the activist experience of his party, which is in the midst of a major internal dispute, and of course this means that people have to differentiate themselves. Our profiles are determined by different developments. The Federal Capital is a district in which, thank God, we have succeeded in developing a process of political integration in the party, in which the majority supports the leadership of the capital city committee. So we have no need to differentiate ourselves. We are the district branch of the Radical Civic Union by an overwhelming majority and based on a decision that is constantly reaffirmed. So this too dictates a given approach to the inner workings of the party and a different one towards the outside, in contrast to Changui's case in the very special situation in Santa Fe and a similar or different and special situation like Freddy's (national deputy Freddy Storani in Buenos Aires Province). He too (Storani) feels the need to carve out a profile that will differentiate him from the wings of the party with which he has disagreements but not antagonisms.

[Question] Let's discuss the central issue on the agenda at the summit meeting: the democratic convergence. What do you think of the document from Radical Youth of San Juan in which they openly and vigorously reject any sort of "alliances with Bloquismo because of its cooperation with the dictatorship"? This is an example of what could happen with other provincial parties that you have brought closer to the UCR.

[Answer] Dr Leopoldo Bravo and I are on the Council for the Consolidation of Democracy, and I have had the opportunity to debate him at length there. I have represented the Radical Civic Union, and he his party, which as you know are not the same thing, far from it. What I think is that there could be some misunderstandings, perhaps because of a lack of more precise communication between us and his party, about what the convergence means. Because it in no way means a political association of forces; it means that each group, retaining its individuality and to the extent that it concurs with the great national causes set forth in the document that we submitted to the political parties, can join in or not. The convergence is not what it is said to be, because the speech in which the appeal was issued was not institutional; it was an appeal to society. It is our understanding that in a democratic society the political parties are the middlemen between society and the State. At some point this entire operation has to find an institutional channel in which the problem of convergence can be discussed. We are going to hold the discussion with the political parties that speak to society, and this is why we submitted the document. Now then, this may or may not be reflected in electoral alliances. That is a different issue. We have a strategic approach to the national situation. We feel that a broad political force is indispensable here to carry this process of transformations forward. Moreover, we are trying to meet demands that society feels deeply about, such as the institutional reform, the constitutional reform, the reform of government, the reform of the justice system, economic reform. In this regard we have clearly voiced our determination to attack the structural causes of our stagnation and our crisis. One is inflation. Another is the deep stagnation of our system of production. And also, why not, we are willing to engage in a more profound debate on the foreign debt. We are determined to carry out an economic reform that will again put us on the road to growth and end our country's longstanding stagnation. We will also address other issues, such as the development of Patagonia, integration in the northwest with Chile and Bolivia, coastline integration with Brazil, the transfer of the capital, the decentralization of state-run enterprises so that power is not concentrated just in the capital, in a word, the occupation of open spaces, Argentina's opening to the world, to the two great oceans, the two basins. This is the meaning of the appeal. We want society to understand this meaning.

[Question] Does the UCR understand this meaning?

[Answer] I mentioned it before when I said that some of those documents could be the result of an inaccurate explanation of the meaning of the convergence. And also an inaccurate assessment of the steps that the national level of the party is taking. Our strategy of convergence will in no way be imposed on the districts. We are going to talk things over with everyone, the party authorities I mean, not me. But of course Radicals are members of a party that has a national leadership; in other words, there is no independence here from higher, strategic political decisions.

[Question] What sort of image do you think the public has of Enrique Nosiglia?

[Answer] The one that in general the press conveys, and you realize that the press does not know me. I have very few dealings with newsmen. I'm honest. My ways are quite set in this regard, and I and the people with whom I talk have a relationship of great mutual respect. I respect your opinions as journalists and I hope that you will accurately convey what I think. In general those who do not know me convey my views less clearly

[Question] Many sectors contend that you are the one who does the "dirty" work that Alfonsin cannot do as president of the nation.

[Answer] I don't think that's the case, although that opinion could be reflected somewhere, but I don't think that anyone could seriously believe it. You may find it in publications that have some specific intention, that are involved in politics, which I respect because after all these are political groups, not supposedly independent mass media. And I say supposedly because I don't think either that there is too much independence in the mass media. In any event, my political record is too clear-cut and transparent. I am not an activist who appeared by spontaneous generation, like a phantom. I have been an activist for many years in my party's public affairs and in the various social fronts in which I have worked. So the people who know me from my years of activism, from my political career cannot think that. I am committed to too many things having to do with a democratic approach to society for people to assume perverse things about me. It is true that my profile is oriented more towards the inner party organization, and I want it this way because I feel that everyone has his role. Just like Chacho (Cesar Jaroslavsky) is the spokesman of the Radical Party in the Chamber of Deputies, there are also other deputies who have a lower profile that is oriented towards other political tasks in their districts or in the committees, which later develop the basis for political debate in the chambers. My profile is oriented more towards the inner, not outer, construction of Radicalism.

[Question] Has the president assigned you this role?

[Answer] The president does not assign roles. The president offers each of us opportunities to work, and we try to do that work as efficiently as we can.

[Question] Another political price that you are said to be paying is the alliance in the Commerce Union of the Capital with Armando Cavallieri's sector. Many Radicals even criticized you because they believed that Cavallieri was among those who spoke out against the union-military pact that Alfonsin hammered out during his campaign.

[Answer] Look, since I do not have a personal political agenda, I do not pay personal political prices. In any event, I am a leader who represents the realities of a district. And in any event, if someone assumes that this is a political price that someone else has to pay, it will be the Radical Civic Union in the capital that pays. Now that this has been clarified, I want to tell you something because this issue has been in the news, not so much inside the party as outside it.

The issue has a lot to do with how the UCR has behaved towards the labor movement.



When my party was not part of the labor movement, it had a paternalistic attitude. It said: the labor movement has to be the way I want, the way the UCR wants. In other words, a decisive segment of society like the workers was supposed to behave the way that some Radicals felt they should on an intellectual level, not based on their experience within organized labor. I think that it's fine for a party to have a political science study group that says: "This is the utopia that I want to build, and this is the way that we have to proceed towards it." But politics that deals with reality is something else. I think that now that we have a major presence in the labor movement, some of our attitudes have improved. We respect the decisions of the workers who are Radical activists. In the case of the Commerce Employees of the Capital, it so happened that the workers took an approach within the union that led them to join a slate with Armando Cavallieri without joining forces with Cavallieri's internal group itself. And if you turn off the tape recorder, I'll explain to you why this alliance was a very rational thing to do. (Off the record Nosiglia gave a detailed description of each slate that ran in the Commerce Union elections.)

[Question] Don't you think that the central issue at this summit meeting could be the absence of debate in the UCR? Could such inertia be interpreted as an outcome of the president's personal style of leadership?

[Answer] I don't think that Alfonsin has prohibited debate in any district, in any county or in the National Committee. These lags are part of the process of regaining the democratic spaces that operate within society and also inside the party. People are not used to a broader political debate because mass political involvement is also a relatively new development. The party has held countless debates on specific and general issues in seminars and open discussions. We have discussed more than the party was historically used to. In my district the delegates to the capital committee meet in a full session every 15 days and make decisions. They take stands on what is happening. They work. The county chairmen meet every 10 days. Perhaps such debate is not mirrored in a spectacular way on the national level. But it exists. And because the debate is so intense at times, it requires frameworks such as this so that extremely valuable experiences from different places around the country can be shared. This helps in building a case that we admit is being developed. We do not think that we have a monopoly on the truth. We have not dogmatically resolved all problems. More such initiatives are needed on the national level, but the lack of them is not Alfonsin's responsibility. In any event it is the responsibility of the party leadership or of the party committees to guide the debate and make it more public, more intense and more wideranging.

[Question] Is the National Committee going to force alliances? Why is your and Edison Otero's accord with the parties that supported the military regime and the federalist parties farther along than with UCR provincial leaders themselves?

[Answer] We provide a general framework for the party's activities. Then, individual problems are going to be resolved in each district. What this

commission that the National Committee set up is trying to provide is that general framework.

[Question] The direct question would be: Could the San Juan Radicals refuse to establish an alliance with Bloquismo?

[Answer] Of course if the San Juan Radicals do not want one, in spite of the efforts of the National Committee, that's their problem. And they won't do it if they don't want to. We have never moved against party federalism and we don't want to do so now either.

[Question] Could you give us an opinion on the ruling of district attorney Molinas and the officials and former officials implicated in the Central Bank affair? Especially since some of them are close to you...

[Answer] Just a minute. They are Radicals, and I am in common cause with all of them, not just the ones who are close to me.

[Question] Do you feel the same way as the secretary general of the presidency, Carlos Becerra?

[Answer] Yes, yes. Becerra is the official voice, reaffirmed by Jaroslavsky and supported by me.

[Question] But Vice President Victor Martinez does not feel the same way as you three. His opinion on the matter differs from Becerra's and Jaroslavsky's.

[Answer] For the time being the only view I share is Becerra's. I haven't read the others.

[Question] What do you think about President Alfonsin's trip to the Soviet Union?

[Answer] It is part of something that the press does not believe either: our nonalignment. The leftist press in particular has come out with a lot of propaganda about the president's supposed subordination to U.S. policy. And now what about Alfonsin's visit to Cuba and the Soviet Union? What are all those people who believed in imaginary alignments going to say? People here always think in conspiratorial terms. They assume that we have not rid ourselves of the vice that has been so harmful to Argentine society: saying one thing and doing another. Like the ones who swore that ours was a rich society and then made off with all the money; the ones who said that they had come to modernize and then condemned us to the most profound backwardness; the ones who gave assurances that they would restore democracy and then gave us the grimmest dictatorship. It would seem that this assumption, which was the rule in Argentine society for a very long time (but which we all knew was a lie), is still stuck in some people's minds. They assume that if we say that we are nonaligned, what we really mean is that we are aligned. But that is not the case. Events are showing, with their stark eloquence, as in this case, that we are doing what we are saying, not the opposite. Aside from this, I think that Alfonsin's trip to the Soviet Union could have some very



promising results from the objective standpoint of our interests as a nation, in the form of certain commercial accords that are going to be carried forward and expanded as much as possible.

[Question] In the Radicals' concern to consolidate democracy, what issue do you feel requires the most urgent action: the criticisms by FREPU or the Nazi slogans that appeared in a Rio Gallegos barracks during Jaunarena's visit?

[Answer] I think that the people who speak of pro forma democracy are antidemocratic. This is something that we have regrettably heard all too often. When I hear this business of pro forma democracy, a democracy that does not provide solutions, I recall the messages of certain sectors of the country that used this phrase to create destabilization movements. And such language is even more damaging when it is accompanied by the disparaging of political leaders and, in some cases, even the president. It has happened at many political rallies and during the most recent General Confederation of Labor rally, where the president was called disgusting names. These are very negative episodes from the standpoint of consolidating democracy. Very negative because disparaging politics means disparaging the political party system. As for the episode in Rio Gallegos, it is another public expression of the thinking of antidemocratic groups that are operating in Argentina and that come from many other segments of society, not just the Armed Forces.

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CSO: 3348/104

NEW JAPANESE ENVOY ARRIVES, CHARACTERIZES RELATIONS

Bridgetown BARBADOS ADVOCATE in English 15 Nov 86 p 2

[Text]

Mr. Mitsuo Iijima, Japan's ambassador to Barbados presented credentials to the Governor-General Sir Hugh Springer last Wednesday.

The Ambassador, a career diplomat, entered his country's Foreign Service in 1956 and has held diplomatic posts at the United Nations, in Pakistan and in Norway.

In Japan, he has also held the positions of Cabinet Counsellor; and concurrently those of Cabinet Secretary, Prime Minister's Office and Secretary-General, Liaison and Co-ordination Council on Measures for Indochinese Refugees and Displaced Persons.

**In Trinidad**

The Ambassador will be resident in the Republic of Trinidad and Tobago.

Conveying the best wishes of His Majesty The Emperor of Japan for the

development of friendship between the two countries, the Ambassador expressed his honour at being accredited to Barbados.

He added that it was his desire to work towards the cultivation of good relations between Japan and Barbados.

The Governor-General welcomed the ambassador and extended on behalf of Her Majesty Queen Elizabeth II warm greetings to His Majesty The Emperor.

The Governor-General said that since the establishment of diplomatic relations in 1967, both countries had enjoyed a relationship which was warm and harmonious. He added that the technical co-operation provided by Japan to Barbados had made an invaluable and worthwhile contribution to the betterment of the country and its people.

Sir Hugh said he was looking forward to continuing and deepening the co-operation which had recently been displayed in the areas of loan financing and marketing of cotton.

The Government of Japan has provided training for Barbadians in areas which include information, family planning administration and Police administration. It has also provided gifts of equipment for use at the Samuel Jackman Prescod Polytechnic.

However, statistics on trade between Japan and Barbados are characterised by a persistently high trade imbalance in favour of Japan.

In 1985, Barbados imported BDS\$55 211 800 in goods from Japan, mainly machinery and transport equipment, while exporting BDS\$480 173 in goods, principally Sea Island cotton.

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CSO: 3298/054

# TRADE MISSIONS TO CARIBBEAN STATES RECORD SUCCESSES

Bridgetown BARBADOS ADVOCATE in English 17 Nov 86 p 1

[Text]

Fourteen months after a Barbados trade mission went to Puerto Rico, two of the companies which participated in the mission have established a firm foothold in that market.

The mission was organised by the Barbados Export Promotion Corporation (BEPC) as part of the corporation's effort to find extra-regional markets for local manufacturers.

Executive Director of the BEPC, Mr. Philip Williams told the Barbados Advocate that the two companies had continually shipped their products to Puerto Rico, to the value of over Bds\$1 million.

He did not name the companies but it is known that the Arawak Cement Company, which participated in the mission, has been doing business consistently with Puerto Rico.

Mr. Williams said that the other companies which went to Puerto Rico were working with the EPC's representative in Puerto Rico in order to identify suitable distributors and agents. Caribbean Marketing Overseas Corporation is the name of the EPC's representative in Puerto Rico.

## Also working

"In other instances, they (companies) are also working with our representative to modify their products to meet the required standards in Puerto Rico," said the BEPC official.

The 26 companies which participated in the mission also held an exhibition of their products at the Candado Beach Hotel September 23-25 last year.

Goods on display were garments, furniture, electronic equipment, printing and stationery, automotive parts, domestic hardware, food products, and building and construction materials.

Orders totalling \$281 916 were received during the mission and exhibition but half of them were cancelled.

celled.

Apart from the BEPC officials and the businessmen who went on the mission there were also representatives from the Central Bank of Barbados, the Industrial Development Corporation and the Barbados Manufacturers Association.

Last year Barbados registered a 21 per cent increase in the level of its exports to Puerto Rico. However, during the first five months of this year, exports to Puerto Rico were slightly below those for the corresponding period a year ago.

The trip to Puerto Rico was one of three organised last year by the BEPC; the others were to Grenada and St. Lucia. As a result, orders amounting to Bds\$469 000 were received during the Grenada and St. Lucia missions, in which 24 companies participated.

## An increase

Following the visits to Grenada and St. Lucia there has been an increase in the dollar value of Barbadian goods reaching those two destinations.

Trade figures from the Statistical Department have shown that for the first five months of this year, Barbados sold \$2.17 million worth of goods to Grenada compared to the \$1.85 million sold in the corresponding period last year.

Similarly for St. Lucia, local exports to that country for the first five months this year were valued at \$3.66 million compared to the \$3.32 million for the same period last year.

A mission was also in Jamaica recently and members returned home with firm orders in excess of \$2 million. That mission was also aimed at clearing the way for improved trade between Barbados and Jamaica.

Meanwhile, the BEPC has promised to undertake field research in Canada, Martinique and Antigua, and to evaluate and co-ordinate field research for individual companies.

# UNIONS SPLIT OVER ACCEPTANCE OF GOVERNMENT WAGE OFFER

Bridgetown DAILY NATION in English 30 Oct 86 p 1

[Article by Patrick Ward]

[Text]

GOVERNMENT's latest pay offer to public servants has been accepted by one union, but rejected by two others.

The powerful Barbados Workers' Union (BWU) agreed to 2.4 percent, 4.3 percent and nine percent increases for the first year and a further two percent across the board for the second.

On the other hand, the jointly negotiating Barbados Union of Teachers (BUT) and the National Union of Public Workers (NUPW) turned down the offer.

The unions at the start of bargaining were asking for 17.5 percent at the bottom, 12.5 percent in the middle and five percent at the top.

During the last session this was lowered to 15, ten and five percent, while Government offered nine percent at the bottom, 4.3 percent in the middle and 1.4 percent at the top.

A source for the NUPW said the going rate for settlements ranged from between eight to 13 percent and public workers would be at a serious disadvantage if the unions accepted Government's proposal, because all workers benefited from the tax concessions.

To accept that would be to take 5.3 percent on an average, or between \$72 and \$74 across the board, when a recent agreement at the University of the West Indies (UWI) ranged from \$91 a month to \$265 a month.

The source for the 15 000-strong NUPW said the General Council discussed the issue thoroughly on Tuesday in the search for a settlement.

He said his union was looking for an average increase of 10 percent across the board.

It is understood the problem areas were the middle and lower rungs of the salary scale, which benefited marginally, if at all, from the tax concessions.

The source pointed out that a mandate was given to the negotiating team by the general body and if Government was willing to improve its offer, the team could be in a position to recommend acceptance.

Up to last week, the spokesman said, the unions had proposed five percent, 10 percent and 15 percent.

Negotiations between the unions and Government started in March.

BWU officials were not available for comment yesterday.

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# EMPLOYERS GROUP URGES CUTBACK IN LABOR COSTS

Bridgetown BARBADOS ADVOCATE in English 17 Nov 86 p 2

[Text]

The Barbados Employers Confederation (BEC) yesterday said Barbadian labour costs needed to be addressed urgently.

The confederation, reacting to a statement by the Barbados Workers' Union (BWU) last weekend, reiterated a call by its president for a revision of the formula used to compute severance payments and a review of the Holidays with Pay Act.

Barbadian workers currently get three weeks paid holiday annually, which is increased to four weeks after workers have been employed with the same firm for five years.

The confederation noted remarks by its president Chris St. John, who told a recent private sector conference many developed countries provide for only two weeks annual holiday with pay.

Mr. John also noted that Barbados therefore had a shorter work week than many of its competitors.

The confederation said it did not call for shorter holidays with pay for workers. It quoted Mr. St. John as saying there was need to modernise the Holidays with Pay Act to facilitate the annual closure for holidays of factories which find it economic and convenient to arrange their operations in this way.

The Press advertisement also

quoted Mr. St. John as saying the formula for computation of severance payments in Barbados was one of the most costly in the world and urged a government review.

It added: "Again, our concern is with the costs of these benefits to the employer, especially small entrepreneurs who are encouraged on their own initiative, and with Government help, to invest in the country's productive sectors; and, in so doing, to create jobs.

## Not guaranteed

"Their investment risks are not guaranteed by the state; but, for severance payment purposes, the employment and interests of the people whom they employ are guaranteed, and their entitlements paid for from a fund which is largely financed by the employers in the private sector."

Mr. St. John also urged Government to consider reducing the rate of National Insurance contributions payable by employers by at least two per cent for a specified period, say three years, as a means of reducing direct labour costs.

He added that this measure should not affect employers' benefits on their contributions.

"The high costs of labour in

Barbados, when compared to those of our competitors, regionally and extra-regionally, continue to drive up the final price of our products and to erode our position in the markets in which we compete, at home, in Caricom (Caribbean Community), and elsewhere," the confederation said.

It added that understandably the union's criticism of certain aspects of its presentation shows a concern for the interests of its members, who are among those persons that are employed.

"However, the weight of our presentation sought to provide a basis on which we could join Government in its efforts to create jobs in the private sector, and to reduce the extent of joblessness in the country, especially among our young people," the employers' statement said.

The confederation added: "In our view, it is important and urgent to address this question of high labour costs; and, we look forward to hearing from the BWU on its plans to alleviate the problems posed by high labour costs for Barbadian goods and services when competing at home and abroad; and, which we believe are to be directly associated with persistently high levels of unemployment in our country." (CANA).

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CSO: 3298/054

BRIEFS

NEW UK ENVOY--Bridgetown, Nov. 10--New British High Commissioner to Barbados and the Eastern Caribbean Kevin Xavier Burns today presented his letter of introduction to Prime Minister Errol Barrow. The high commissioner succeeds Sir Giles Bullard, who was accredited to Barbados for three years, to August 1986. [Excerpt] [Bridgetown CANA in English 2309 GMT 10 Nov 86 FL] /13046

CSO: 3298/054

DOMINICAN REPUBLIC

PCD OFFICIAL WARNS OF SOCIAL UPHEAVALS

Santo Domingo EL NACIONAL in Spanish 20 Nov 86 p 6

[Article by Nelson Encarnacion]

[Text] The secretary general of the Dominican Communist Party (PCD) warned today that if the economic policy the government has been pursuing is not changed, the country will be faced with "major social upheavals."

According to Narciso Isa Conde, continuation of the present policy will mean throttling the neediest sectors to the benefit of a powerful minority. Isa Conde said that a violent situation is approaching because the people are being left to die of hunger. However, he went on to say that President Joaquin Balaguer's policy could be changed as a result of popular pressure.

On the Dirio Vivir breakfast program carried by Teleantillas and Telesistema, the communist leader said that the possibility of social explosions as a result of the catastrophes from which the people are suffering has not been noted by politicians alone, for the Catholic Church has issued a warning as well. He mentioned the bishop of Santiago, Monsignor Roque Adames, who has spoken out in this connection.

Isa Conde explained that while an uprising similar to that in April of 1984 is not expected, for the simple reason that President Balaguer is an experienced politician who should not be underestimated, difficult situations in terms of violence could indeed occur.

In Isa Conde's view, the recent strikes in La Victoria and Sabana Perdida, San Juan de la Maguana and Yaguita de Pastor, in Santiago, are worrisome indications showing that the people will not tolerate further disasters.

He said that it is possible that Balaguer has not changed his economic policy because the country has supposedly been put in a strait jacket by the creditor bodies and the foreign banks, which will not allow it to embark upon a different path.

He added that the International Monetary Fund, the World Bank and the Interamerican Bank, as well as international lenders, have put the country in a situation from which it is difficult to escape.

Isa Conde said that government officials' statements to the effect that the government has created about 31,000 jobs constitute the greatest lie of the century.

He stated that according to the government's own figures, some 120 million pesos have been invested in construction in 3 months of government, which in terms of the value of money a few years ago would be the equivalent of about 40 million pesos.

He recalled that when the construction industry was at its highest level during Balaguer's 12 years in office, some 50,000 Dominicans were working, so that it is impossible to explain how with an investment of 40 million pesos now, 30,000 more have been employed.

He expressed the belief that the purpose of this official statement is to conceal the number dismissed in the public sector, which in his view exceeds the number of new employees hired.

As to the political truce, the secretary general of the PCD explained that it was violated by the very reformists who are demanding jobs in the government.

He said that a regime of freedom cannot exist in the country alongside the situation of poverty in which thousands of Dominicans are living.

He noted that just a few months after the government took office, there are many individuals in the poor neighborhoods who are now sorry they voted for Dr Balaguer on 16 May.

He stated that the address delivered by President Balaguer at a Miami business conference infuriated Latin Americans, since the chief executive went so far as to call Ronald Reagan the greatest democrat, while it is known that the U.S. executive branch has pursued an unprecedented policy of terror.

He dismissed the possibility that PCD leaders could participate in the Balaguer government while the current policy continues, and he said moreover that it would be a contradiction to have individuals in the administration whose ideas are contrary to the interests defended by the PCD.

Isa Conde hopes, for example, that the government will assume total control of the foreign exchange coming into the country, and that it will make an effort to recover the thousands of millions of dollars said to be on deposit in foreign banks.

He expressed regret that President Balaguer has forgotten the agrarian laws he himself sponsored in 1972, and which had PCD support.

He believes that if these laws were implemented, it would be possible to get some 250,000 peasants moving ahead, which would create a situation favorable for the government itself.

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CSO:3248/100



DOMINICAN REPUBLIC

BRIEFS

OCTOBER REVENUES--Taxes collected in October totaled 176.2 million pesos, the National Budget Office revealed in the monthly report on income and expenditures published today. The breakdown showed that the largest contribution was made by the collection offices of the customs department, with 83.5 million pesos, followed by domestic income with 37.4 million. Income taxes brought in 29.8 million pesos; the category "foreign and other resources" brought in 22.4 million; and the national lottery brought in 3 million pesos. During the month, allocations totaling 175.4 million pesos were authorized, leaving a balance of 815,000 pesos, in round numbers. [By Jose Romero] [Excerpt] [Santo Domingo LISTIN DIARIO in Spanish 17 Nov 86 pp 1, 12] 5157

CSO:3248/100

# NNP'S ALEXIS WANTS PARTY TO HAVE TWO DEPUTY LEADERS

St Georges THE GRENADIAN VOICE in English 8 Nov 86 p 1

[Text]

A resolution will be moved at the New National Party's second annual convention next month, seeking to amend the party's constitution to provide for two deputy political leaders.

The resolution is being sponsored by the current deputy leader, Dr. Francis Alexis.

Dr. Alexis is seeking to have clause seven of article five of the NNP's constitution to be amended to read "two deputy political leaders" instead of one.

Copies of the resolution to be moved are being sent out to N.N.P. members seeking their support. Dr Alexis said in his letters to the members that the change will "make our N.N.P. constitution more responsive to the needs of our party and country."

In that same document signed by Dr Alexis, four reasons were given why the change is being

sought. It says: the building of a vibrant party founded on entrenched democracy within our New National Party requires that as many opportunities as possible be afforded our members to participate in high level leadership within our NNP."

The document also stated that the "exposure of more of our party members to high-leadership within our NNP will serve to promote and protect parliamentary democracy ....

Dr Alexis says in the document that the maintenance of one post of deputy does not advance the objectives of democracy.

He recalls that the First Annual Convention of the NNP raised and debated the issue but agreed to postpone it to the second convention.

Dr Alexis is also seeking to have the second

sentence "paragraph T" under the article in question to be amended to read "In the absence of the Political Leader, the Deputy Political Leaders shall act alternately, one Deputy Political Leader acting when there is one such period of absence and the other Deputy Political Leader acting in the next ensuing period of absence."

The proposed amended to the constitution is being made against the background of what many people are calling a new Alexis - George Brizan alliance. Alexis Grenada Democratic Movement and Brizan's New Democratic Party joined with Herbert Blaize's Grenada National Party to form the NNP in the run up to the 1984 general elections.

Alexis and Brizan, soon after NNP's formation, were said to be "bitter rivals" but in recent times the two have been

putting on publicly a show of unity. They have repeatedly said that there were attempts to divide them but that those will fail and they are standing firm!

Alexis was elected as Deputy Political Leader at NNP's first convention last December, when just a few votes separated him from Brizan. At that Convention, Party Leader Blaize proposed that the constitution be amended to include two deputy political leaders in an apparent move not to "rock the boat." The decision was put off in the face of heated and intense debate.

However, one political

analyst says that the proposed resolution is to ensure that Alexis' new comrade Brizan be drafted on to the party leadership. He is the only member of the triumvirate who holds no executive post in the NNP.

It is felt that this also indicates that Alexis and Brizan will not challenge Blaize's leadership of the party at the convention, but are willing to co-operate to ensure that Blaize's hand-picked deputy Ben Jones be left out in the cold.

NNP's convention will be held on December 6th at the St. Andrew's Anglican Secondary School.

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CSO: 3298/055

## ADDITIONAL DETAILS FROM GOVERNOR GENERAL'S THRONE SPEECH

St Georges THE GRENADIAN VOICE in English 1 Nov 86 p 2

[Text]

A promise to work vigorously with others to eradicate the disgusting disease of apartheid in South Africa was made in the government policy speech delivered by Governor General Sir Paul Scoon when he declared open the Third Session of the Third Parliament at York House last week Friday morning in the presence of members of both houses of parliament and a large number of officials, diplomats and other specially invited guests -- including students of secondary schools.

The address, which began by "thanking all the countries and organisations which have been so generous in assisting us to improve our physical infra-structure and to achieve our social and economic objectives also stressed the importance the government attaches to regional

co-operation and confirmed that measures will be taken to secure Grenada's participation in the Eastern Caribbean Supreme Court.

Other notable matters dealt with in the speech include:-

**SECURITY** The government places high priority on national security as it is recognised that stability is a sure foundation for sound economic and social development. They will not let up in their efforts to maintain peace and order. A Police Service Commission will be set up to assist in the continued rebuilding of the police force.

**UNEMPLOYMENT** As part of the effort to solve the unemployment problem the government will accelerate and increase training of young people in marketable skills.

**DRUG ABUSE** - Legislation will be introduced to provide for stiffer

penalties against the sale and use of dangerous drugs.

**THE ECONOMY** - Phase II of the tax reform programme will be introduced to stimulate increased private sector activity and increase savings and investment. Incentives will be provided for investment. Efforts are being made to secure a suitable quota for Grenada in the U.S. textile market which could result in a substantial increase in the number of jobs in this sector.

Public finances were acknowledged to be weak. This was attributed largely to the massive unsupportable pay roll and the huge public debt which (the) government inherited. Certain debts are being rescheduled and the Public Service is to be reorganised. There will be a phased retrenchment of staff. -

LANDS vested in the Model Farms Corporation are to be divested on a lease-purchase basis.

DEVELOPMENT - With the assistance of the National Economic Council (comprising Government, business and labour) a National Development strategy for 1986 - 1990 has been prepared. It sets targets and goals for full employment and an annual economic rate of growth of approximately 5% of Gross Domestic Product.

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CSO: 3298/055

## BLAIZE ASKS HOUSE FOR MORE BORROWING AUTHORITY

St Geroges THE GRENADIAN VOICE in English 8 Nov 86 p 16

[Text]

FRIDAY - The House of Representatives will be asked this morning by the Hon. Prime Minister, in his capacity as Minister of Finance to pass a motion authorising him to borrow a further ten million dollars — by means of fluctuating overdraft with local banks — "to meet current requirements."

The Minister will also present for approval through all stages Supplementary Appropriation (No. 2) Act, 1986 calling for Recurrent Expenditure of \$3.924 million and capital expenditure of

\$17,915.00. Most of this — including all of the capital expenditure — is for the Ministry of Finance. \$4,292.00 is for the Supreme Court, \$3,000.00 is for Radio Grenada, \$3,096.00 is for Legal Affairs and \$7,742.00 for the Ministry of Health.

The supplementary estimates include \$25,000.00 to pay for extra time work done by the Budget Division during the preparation of the 1986 estimates, \$140,000.00 for overtime in the Customs Department,

\$15,000.00 to pay outstanding salaries for August at

Discovery Television, \$50,000.00 for additional overtime at the Government Printery, \$1.9000.000 to meet refunds of VAT and Income Tax, and duties as well Honoraria to persons who served on the Constitution Commission and compensation to various persons. There is also a sum of 76,000.00 allocated for the purchase of ammunition.

Included on the agenda for Second Reading and Remaining Stages are the Gravel and Concrete Productive Corporation Act 1986, the Real Property Tax Act, 1986 and two others while the Merchant Shipping Act, 1986 is down for First Reading.

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CSO: 3298/055

BANANA LANDS SPLIT UP FOR FARMERS IN BID FOR QUALITY

St Georges THE GRENADIAN VOICE in English 1 Nov 86 p 3

[Text]

**Seven hundred acres of land on the Belvedere estate will be divided and handed over to farmers to be totally devoted to banana cultivation, as government seeks to increase the quantity following a reported improvement in quality.**

A Government Information Service news report quoted Agriculture Minister George Brizan as saying that over 100 applications have already been received from persons interested in growing bananas.

GIS quoted Brizan as saying: "Now that quality is under control, we now have to move to quantity. We have designed a kind of programme that will give the kind of quantity after nine months of planting.

In this attempt by the Agriculture Ministry to improve quantity, two other state farms, La Sageesse and La Force, will also be subdivided to persons who worked on the estates and other persons interested in growing bananas.

It is expected that 15 small farms would be available on the La Sageesse farm which is now being surveyed for subdivision under the Model Farms Project.

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CSO: 3298/055

## BRIEFS

ITALIAN ENVOY--Italy's ambassador-designate to Grenada, Massimiliano Bandini left the island last week after presenting his credentials to Governor General Sir Paul Scoon and paying a courtesy call on Prime Minister Herbert Blaize. During his stay here, Mr. Bandini also met with Mr. Bob Visser, resident adviser of the Commission of the European Communities and U.S. Charge d'Affaires, Mr. John Leary. The ambassador is based in Venezuela. [Text] [St Georges THE GRENADIAN VOICE in English 1 Nov 86 p 3] /13046

CARRIACOU POLICE UNIT--Carriacou and Petit Martinique will have their own police unit under local government. The local government bill that has been introduced in parliament proposes that the sister islands have a 24-member county council, under which a police unit will be established. The unit to be called the Carriacou and Petit Martinique County Police will have its own immediate commanding officer in the county, but will ultimately fall under the control of the Commissioner of Police in the Grenada Police Force. Members of the unit will be eligible for transfer to the Grenada Police Force. [Text] [St Georges THE GRENADIAN VOICE in English 8 Nov 86 p 3] /13046

CSO: 3298/055



MLN ADVOCATES REFERENDUM ON ACTIVE NEUTRALITY POLICY

Guatemala City PRENSA LIBRE in Spanish 6 Nov 86 p 3

[Text] The National Liberation Movement (MLN) is ready to propose a referendum to the Congress of the Republic so that the people can state whether they agree with the active neutrality policy, given the situation in Central America, especially the arms race in Nicaragua, stated Deputy Carlos Simons yesterday. Simons is the chief of the MLN delegation in Congress.

"I said this recently at a forum in Washington," he added. "If drastic measures are not taken, there could be a confrontation in Central America. A diplomatic position is not enough."

"With regard to the Contadora Group, there is nothing we can say. The same goes for the support group," he went on. "Their only practical result has been to shore up the Sandinist regime in Nicaragua. The Christian Democratic administration," he emphasized, "has not paid any attention to the polls in Guatemala: 60 percent of the population regards the Sandinist regime as a great threat that has destroyed that neighboring country."

In response to a report published in a foreign magazine that people are being trained in Guatemala for an attack on Nicaragua, Deputy Simons said that the MLN is willing to recruit volunteers to defend the freedom of Central America. For that reason it wants to hold a referendum among the population, because Nicaragua has nearly 20,000 tons of weapons.

"On the other hand, it has taken the U.S. Government several years of struggling with Congress to send humanitarian aid to the Contras.

"We must be realistic," he continued. "We must tell the truth: War is imminent in Central America, and we cannot remain neutral; that would be negative.

"The MLN," he reiterated, "would be willing at the appropriate time to recruit volunteers to go to Nicaragua to defend the freedom of all Central Americans. The weapons will be obtained at the time of the conflict."

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CSO: 3248/98

## ECONOMIC RESULTS OF CEREZO'S EUROPEAN TOUR OUTLINED

\$285 Million Forthcoming

Guatemala City PRENSA LIBRE in Spanish 22 Oct 86 p 2

[Excerpt] The president was accompanied by some officials who had been with him on his trip to several European countries. He stated that the European governments support the beginning of true democracy in Guatemala, and that "the isolation to which our country was subjected for many years has now ended."

He indicated that the country's future must be seen from a new perspective, because "our plan for democratization was understood by the European world, which also supports our position of active neutrality in the Central American conflict."

"It should be made clear that the Europeans support Guatemala's plan for democratization, and not the Christian Democrats' ideological program."

Democracy "should not be regarded as a cow to milk, but rather as a partnership in which we all must struggle to live as brothers, so that we can understand each other in a framework of peace and respect," he said.

### Funds to Be Handled Honestly

In addition, President Cerezo stated that the loans offered by the European governments will be paid over the long term, some up to 40 or 50 years, and have low interest rates.

He cited as an example the German government's desire to finance the asphaltting of the highway to Peten with a loan of approximately 60 million marks, at 0.75 percent interest over a 40-year term.

He added that the governments of France, Belgium, Germany, Italy, Holland, and Spain offered to finance projects to promote national development.

They realize that this aid will be going to sectors that cannot pay in the short term. Small and medium peasants and small businesses will be given priority, and exports of nontraditional products will be boosted.

President Cerezo declared that "this aid will be handled with a great deal of honesty, because the people of Guatemala have always known me to be a responsible and honorable man."

Any official who wants to undertake projects and charges commissions for assigning jobs to private companies will be taken to court, because "that is an illegal act."

"I will not allow that to happen in the government, because these are vices of the past which must be eliminated once and for all."

"I will not fill my pockets at the people's expense, much less compromise my honesty for a small commission."

#### CELGUSA Case

Some political leaders criticized President Cerezo for recognizing the \$250 million debt owed by the National Financial Corporation (CORFINA) to the Central Bank of Spain, for an investment in the Celulosas de Guatemala (CELGUSA) project.

The chief executive stated that "Spain is not to blame for corruption perpetrated by Guatemalan officials in the past, and our country must honor that debt."

Spanish authorities accepted the Guatemalan Government's position in favor of the country's interest with respect to the CELGUSA project.

"I consider that scheme to be high treason, and a commission is investigating the situation to uncover irregularities in that enterprise."

"We had to recognize that debt, because we are not going to burn our bridges, as we did in the past."

#### Implementation Questioned

Guatemala City PRENSA LIBRE in Spanish 21 Oct 86 p 10

[Text] In a speech he gave from the presidential balcony before a crowd of people who had come from the provinces, Mr Vinicio Cerezo Arevalo, constitutional president of the republic, stated yesterday noon that his trip to Europe had been a complete success.

For over 20 days, Cerezo Arevalo met with European officials and political leaders. He explained the features of his foreign policy, reported on the needs and wants of the Guatemalan people, and requested and received political and economic cooperation. He also won moral support for the position his administration has taken on the Nicaragua matter. This attitude consists, basically, of not knuckling under to U.S. pressure to send Guatemalan soldiers to war against Sandinist soldiers. In other words, it means allowing the Nicaraguan Government to survive instead of cooperating in its overthrow.

But the success mentioned by the president could refer to the offers and agreements for economic cooperation that were obtained and signed in each of the capitals he visited.

In fact, no one can evaluate this situation until the terms on which the European governments will make the outlays are revealed. This applies to the loans; as for the donations, they should be considered in light of what the Guatemalan Government may have promised to do in exchange for this support, which the president considers essential for his social improvement programs, especially those aimed at the peasants.

In an initial report, the president has said that with that money the government will purchase lands to turn over to the peasants and build access roads in places that have remained in a permanent state of isolation, which impedes the development of various regions in the country.

To get a useful idea, it is necessary to know whether the loans have been obtained on better terms than those usually granted by AID, the World Bank, the Inter-American Development Bank, and other international financial institutions.

Because when it comes to credit, what matters is not just the amount, but also the quality of the loan.

Almost at the same time as the president, Father Andres Giron has also returned from a trip abroad. He claims to have obtained nearly \$100 million in donations for his program to buy land for peasants. In addition, there has been ample publicity in recent days about the fact that the U.S. Government gives aid to Salvadoran President Napoleon Duarte's Christian Democratic government in the amount of \$1.5 million per day. Theoretically, this adds up to some \$547.5 million a year.

The success of the president's tour could be examined in light of these events, although it is true that it could be evaluated independently of them, and so it should be.

Moreover, there should be an additional explanation of why these donations and loans were negotiated in Europe, because it is not sufficient to claim that they fall within the framework of an international political relationship among Christian Democratic parties, as is the case in the Federal Republic of Germany and Italy.

Success does not depend on getting \$300 million or \$500 million; it depends on the results of the investment made with those funds. This means that we must wait some time before proceeding to an objective consideration of the matter, beyond the influence of political enthusiasm or animosity.

## Economist Assesses Aid

Guatemala City PRENSA LIBRE in Spanish Economic-Financial Supplement 5 Nov 86  
p 1

[Commentary by Jose Molina Calderon]

[Excerpts] One Hundred for One

Two thousand years ago it was proposed that the best deal was to invest 1 and recoup 100. That is why people say the best deal is 100 for 1.

The trip organized by the Guatemalan Government to begin an economic and political rapprochement with Europe, passing through the United Nations, was very profitable. What is not known is if it would have been equally profitable with less investment, that is, less spending on travel. Apparently, it is those expenses that have upset many sectors; you can't please everyone.

If \$500,000 was invested, according to the 2,000-year-old definition of profitability, the 100-for-1 return would be \$50 million. According to official reports, however, the aid obtained just in donations amounts to more than \$58 million, which could be considered highly profitable.

It has been argued that many of these donations had already been agreed to, and the trip was not necessary. All that is possible, but it is undeniable that this is a good deal for the country.

As far as loans are concerned, the official figures report that \$227 million was obtained, apparently with long terms and low interest rates. In this case, not only can we apply the 100-for-1 formula, but we have also gotten an /eternal debt/ [passage enclosed in slantlines printed in boldface], since many of these loans will not be paid off until the 21st century. With terms of 40 to 50 years, they are the longest-term debts Guatemala has had, and we will be paying them off until the year 2,036.

No one has specified exactly what the terms of each of these loans are, and detailed information will be revealed when the administration presents the authorization for these loans to the Congress of the Republic, as the Constitution of the Republic provides in its procedure for approving official loans.

It would be nice to have more detailed information anyway, mainly from the experts who accompanied the president on his trip to Europe, so that we can hear an expert opinion on the loans.

### Mother Country

The theme of this negotiation was the most important economic point in our relations with the Mother Country, and as a gesture of good will, Spain offered to loan us nearly 2.7 million quetzales to sweeten the deal. It also

offered to finance part of the studies aimed at defining the future of CELGUSA, and therefore the future collection of its own debt.

#### Trade Agreement with France

In examining the two letters of intent regarding trade agreements, one with a French company and another with a Belgian firm, it becomes clear that Guatemala undeniably has a tremendous ability to negotiate with Europe. The French company known as Compagnie Commerciale Sucres Et Denrees, abbreviated as SUCDEN, signed the "Letter of Intent for the Strengthening of Trade Relations between Guatemala and France," which was subscribed to by the director of SUCDEN and by Guatemalan public and private officials who traveled to Europe.

SUCDEN has been working in Guatemala for 15 years, primarily through its subsidiary in New York. Indeed, last 18 October, it celebrated 25 years of working in that country by holding a celebration on a yacht that spent the entire afternoon sailing off Manhattan Island.

SUCDEN had the distinction of winning the controversial fertilizer bidding that took place a few months ago. The bidding process was finally annulled, because the contract had been awarded to another firm that was unknown in the fertilizer industry. What makes SUCDEN stand out from the others is that even though it won the bidding but was not awarded the contract for reasons as yet undisclosed, it is still willing to engage in trade relations with Guatemala at the highest level.

Although it is true that this is a letter of intent and not a trade agreement, it indicates that SUCDEN will do its best to boost the purchase of Guatemalan products to as much as \$50 million. In addition, it will help market nontraditional products that are available in Guatemala for export, and it offered to act as a purchasing office to buy French goods on behalf of the Guatemalan public and private sectors. It even offered to negotiate lines of credit with French banks for the purchase of Guatemalan products.

#### Bartering with Belgium

The letter of intent with the Belgian firm known as International Countertrading S.A. (IC) was signed with the Bank of Guatemala. IC is a subsidiary of another company called Cockerill Mechanical Industries (CMI), Belgium, and the letter of intent is for the purpose of carrying out bartering, more technically known as compensation operations. In Guatemala, such transactions have been popular for several years. The commitment is for \$20 million per year, for a period of 3 years. The letter of intent mentions locomotives, agrotechnical equipment, industrial machinery, and defense materiel, although it does not exclude other industrial goods that could be bought in Belgium. The letter of intent states that the parties, Guatemala and Belgium, must conclude this pact before the last day of November 1986.

Other agreements were signed with France for economic assistance amounting to \$31 million, in instruments called "Loans Parallel to the Protocol with France-Commercial." In addition, a line of credit was obtained from the Bank of the



European Union to provide \$5 million in financing for Guatemalan exports and \$10 million for French exports. Agreements for lesser amounts were obtained for technical assistance to the Guatemalan National Railways (FEGUA) in the amount of \$20,000, and \$50,000 to Iberia.

### European Insurance Companies

In 1982, when the payment backlog began (that is, when the Bank of Guatemala began to fall behind in its dollar payments on the country's commercial obligations), Guatemala's international payments problems began. One factor in this situation is a kind of insurance company that operates in some developed countries. These entities are known as Export Insurance Companies; the one in Spain is called the Spanish Export Credit Insurance Company (CESCE), and its German counterpart is called Hermes. These companies rate the risks of insuring, and at this time Guatemala is considered a 100-percent risk; in other words, it is not easy to get financing for exports from their countries to Guatemala.

When export insurance is not available, sales from European countries to Guatemala are very limited. That is why one of the objectives of the trip to Europe was to discuss the private sector's debts to private European companies that have export insurance.

Part of that debt to suppliers is in the form of what are called monetary stabilization bonds, issued by the Bank of Guatemala. The bank has issued more than \$500 million in these bonds.

Although the best offers have been made to the European insurance companies to settle these debts, the renegotiation of them will have to be done through tripartite talks among Guatemala, the insurance companies, and the European creditors.

It would be a very good idea for Guatemalan economic and financial officials to provide a timely explanation of this situation.

It was unfortunate that no solution was reached for paying off the monetary stabilization bonds from the beginning of 1986, but the government did not want to confront the International Monetary Fund, which would have provided the funds to pay at least half of this debt immediately. But negotiating with the IMF would have meant pursuing a policy that might have been quite different from the one now being followed, even if a better financial situation had prevailed.

Finally, it is hoped that the financing obtained will actually be disbursed. In 1986 the government has been able to execute a scant one-third of the public investment called for in the General Budget of Revenues and Outlays of the Nation.

It is ironic that between 1979 and 1982 too much was invested, and we complain that those huge investments compromised the country's foreign credit and brought us to our current level of foreign indebtedness of over \$2.5 billion.

Today we are complaining that the government does not invest what it budgets quickly enough, even when it has international credit. Such is the paradox of economics.

From the standpoint of economic policy, the political part, which cannot be measured, is significant for Guatemala in the international arena, even though on the domestic front the attitude is not exactly the same.

8926

CSO: 3248/97



12 PERCENT OF 1986 EXTERNAL DEBT AMORTIZED

Guatemala City PRENSA LIBRE in Spanish 13 Oct 86 p 104

[Text] Guatemala has made just 12 percent of the foreign debt payments scheduled for 1986, some 70 million quetzales, congressional sources revealed.

A "secret" report by the Bank of Guatemala, which the Economic Committee of that body is studying, states that Guatemala had planned to pay \$652.2 million (the same number of quetzales) for this year.

Although the causes of the shortfall are not explained, the report indicates that only 70 million quetzales will be paid, 12 percent of the total owing in 1986.

"Under the financial housecleaning policy, Central Bank officials had planned to pay off a substantial percentage of the debt over the next 4 years," commented a Liberation deputy.

"However," he said, "of the 419 million quetzales included for 1987, only 92 million will be paid, which shows that we Guatemalans are living beyond our means."

The brief report indicates that there are plans to issue 400 million quetzales in treasury bonds "until the income tax, the value-added tax, the tax on idle lands, and others can be reformed."

8926

CSO: 3248/98

BANGUAT PRESIDENT REPORTS INFLATION AT 14 PERCENT

Guatemala City EL GRAFICO in Spanish 7 Nov 86 p 2

[Text] Guatemala City, 7 November—The president of the Bank of Guatemala, Federico Linares, stated that since the Economic Reorganization Program began, the rate of inflation has ranged between 14 and 15 percent.

The official explained that this is the current rate, but there is also a "historic" rate covering the period between September 1985 and September of this year. The Bank of Guatemala estimates this historic rate at 30 percent, while the General Office of Statistics pegs it at 26.4 percent.

Linares pointed out that the reduction in the country's inflation rate is an indication of the success that the Reorganization Program has achieved. He said that the goal of this program was to cut this rate to 15 percent, but the goal has been exceeded. The current rate is 14.1 percent, he noted.

In addition, the official stated that if prices stay at the same levels as they have been for the last few weeks, the inflation rate may fall as low as 6 percent by the end of this year or early next year.

Exchange Unification

The president of the Bank of Guatemala also reported that the process toward exchange rate unification is continuing. Yesterday the Monetary Board approved the transfer of about 116 products from the Exchange Market to the Regulated Market, he stated.

8926

CSO: 3248/97

CACIF OPPOSES PORTIONS OF ECONOMIC PACKAGE

Guatemala City EL GRAFICO in Spanish 4 Nov 86 p 2

[Text] Guatemala, 4 November--The Guatemalan private sector has expressed its disagreement in principle with some of the reforms proposed by the government with respect to three major taxes (the value-added, land, and income taxes). It has asked for a longer period of time to study these reforms and issue an opinion on their possible implementation.

At a press conference yesterday, the president of the Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations (CACIF), Dr Augusto Garcia Noriega, stated that "it is very premature to issue an opinion on this reform."

After an initial review of the three bills, however, the business leader expressed serious doubts about the results they might have, and he said it would be wise to exhaust all channels of analysis.

For example, he cited the problems that might be caused for the private sector by the increase in the value-added tax rate for many items. In this regard, he pointed out that some categories will be favored while others will be seriously harmed, and this would lead to "discrimination."

He also questioned the proposal to reform the income tax, and explained that this reform would hit hardest at the middle and lower-middle classes. He discussed the bill to reform the land tax in similar terms.

8926

CSO: 3248/98

## EX-MINISTER'S RETURN TO PNP FOLD SPARKS OPPOSITION

## Coore's Reinstatement

Kingston THE DAILY GLEANER in English 7 Nov 86 p 1

[Text]

FORMER Minister of Finance, Mr. David Coore, will return to the ranks of the People's National Party as Spokesman for Foreign Affairs as of January 1, 1987.

This was announced by PNP President Mr. Michael Manley at the Party's People's Forum at the Oceana Hotel in Kingston yesterday in what appears to be a re-shuffle of the slate of spokesmen.

The surprise announcement sent ripples through the packed hotel ballroom as Mr. Manley described Mr. Coore as "one of the finest intellects that has served our movement."

Mr. Coore resigned in 1978 as Minister of Finance in the height of delicate negotiations with the International Monetary Fund, culminating in that Party's break with the Fund in 1979.

He resigned as a Member of Parliament of Western St. Andrew but not as a member of the PNP. Mr. Coore later in 1978 was employed as senior consultant to the Inter-American Development Bank (IADB).

Mr. Manley also told the Forum that Mr. P.I. Patterson, former Minister of Foreign Affairs and Foreign Trade, and who was spokesman in this capacity, will be assigned spokesman for Production, Development and Planning which is to be a new Ministry under a PNP Government.

Mr. Patterson will also be chairman for the PNP's proposed National Advisory Council.

Dr. Kenneth McNeill, former Minister of Health, will be spokesman for this portfolio, taking over from Mr. Ruddy Lawson. Mr. Horace Clarke has been shifted to being spokesman for Agriculture while Mr. Easton Douglas has taken over Mining.

Mr. Carl Rattray who is spokesman for Justice and Legal Reform will now take on Culture and Information.

The other spokesmen are: Mr. Seymour Mullings (Finance); Mr. Claude Clarke (Industry and Commerce); Mr. Frank Pringle (Tourism); Mr. Bobby Pickersgill (Public Utilities and Transport); Mr. O.D. Ramtallie (Construction); Mr. Carlyle Dunkley (Education); Mr. Derrick Rochester (Labour); Portia Simpson (Social Security and Women's Affairs); Mayor Ralph Brown (Local Government); Mr. K.D. Knight (National Security); and Mr. Douglas Manley (Youth, Sports, and Community Development).

Special responsibilities have been given to Mr. Alfred Rattray for Foreign Affairs; Mr. Leroy Cooke, Community Enterprise Organisations; Mr. Edwin Jones, Public Service and Mr. Terry Gillette, Parliamentary Affairs and Co-ordinator of the People's Forum.

## PNP Internal Protest

Kingston THE DAILY GLEANER in English 12 Nov 86 p 23

[Text]

A NUMBER of the Peoples' National Party supporters in western Jamaica have expressed their disapproval of the party's President Mr. Michael Manley's recent announcement, that former Minister of Finance Mr. David Coore will return to the ranks of the PNP.

The party's supporters said that they do not wish the party to be associated with Mr. Coore in such a capacity, as he had been unpatriotic to the people of Jamaica who had placed confidence in him by having voted for him and he had repaid them by deserting them at a very crucial and critical period of the party's administration.

They said that Mr. Coore's resig-

nation as Minister of Finance and MP in 1978 had cast a shadow of doubt on the party's leadership and had left a number of questions unanswered.

It was the opinion of the supporters that he had deserted the party before and could easily do it again.

Commenting on Mr. Manley's statement that Mr. Coore was a fine intellect, the supporters said that it took more than being a fine intellect to be a Minister of Government.

On Thursday at the party's public forum held at the Oceana Hotel, Mr. Manley announced that Mr. Coore would be returning to the party as spokesman for foreign affairs.

/13046

CSO: 3298/052

## MUNROE COMMENTS ON FUTURE PROSPECTS OF WORKERS PARTY

Kingston THE DAILY GLEANER in English 4 Nov 86 p 18

[Text] IF the Workers Party of Jamaica (WPJ) can subordinate "ultra-left sectarian and dogmatic tendencies within its ranks", in addition to a number of other factors, it will be able to sustain and strengthen its future in the national politics of Jamaica, says the party's General Secretary Dr. Trevor Munroe.

Dr. Munroe was speaking Saturday at a symposium on 'The present political situation: a case for electoral reform?' by the Faculty of Social Science of the University of the West Indies (UWI), Mona.

In a paper entitled: "Has the WPJ a future in National Politics?" Dr. Munroe said his party had a definite future in the national politics of Jamaica and that it was not going to die and pass away.

"Anyone who expects to see his party in power within the next few years, had better join the PNP", he said. However, those who expected a party which would be able to deal with the depth of the structural crises in Jamaica "had better join the WPJ."

Dr. Munroe said it was reasonable

to assume that the PNP would become the government following the next national elections. But the PNP government, without basing itself more firmly on the lower classes, restoring the party's mobilizational capacity and strengthening its ties with the international progressive movements outside of European social democracy, would be unable to deal with the depth of the structural crises in Jamaica or sustain majority support over a prolonged period.

The resultant fall-off in support, Dr. Munroe said, would strengthen a-political tendencies, renew right-wing conservative tendencies and strengthen the basis for increased support of left radicalism. He said the proportions in which these tendencies divided themselves and the specific implications for sustaining and strengthening the WPJ's future in the national politics in Jamaica, was dependent on many factors. One was the extent to which the party could subordinate ultra-left wing sectarian and dogmatic tendencies within its ranks.

/13046

CSO: 3298/052

## INTERNATIONAL GROUPS APPROVE \$66.2 MILLION IN LOANS

## Farm Credit From IDB

Kingston THE DAILY GLEANER in English 12 Nov 86 p 27

[Text]

THE Inter-American Development Bank has announced the approval of a US\$16.2 million loan (about J\$89-million) to help finance an agricultural credit programme in Jamaica.

The programme is designed to stimulate farm production and productivity of traditional and non-traditional crops, to create jobs and to generate foreign exchange.

The bank's loan, extended to the Government of Jamaica will be used by the Agricultural Credit Bank Limited (ACB). The ACB will channel the resources through the commercial banking system to private firms, producer associations and individuals in the form of subloans to help finance the purchase of machinery, equipment, vehicles, spare parts, fertilizers and pesticides; to build and install agro-industrial plants, to prepare land and plant sites, to carry out irrigation and soil conservation

works, to improve and maintain crops, and to purchase and upgrade livestock and dairy production.

The total cost of the programme is estimated at US\$25 million, of which the bank's loan will cover 5 percent and local sources the remaining 35 percent. The bank previously approved loans totalling US\$79.1 million to help finance agricultural programmes in Jamaica, of which five loans for US\$33.1 million have supported global agricultural credit programmes.

The loan was extended from the Bank's inter-regional capital resources for a term of 15 years at a variable interest rate applicable to yearly disbursement and linked to the bank's cost of borrowing funds. It will be disbursed in dollars or other non-Jamaican currencies.

## Balance of Payments Support

Kingston THE DAILY GLEANER in English 13 Nov 86 p 1

[Text]

**J**AMAICA WILL RECEIVE a loan of over US\$50-million (J\$275m) from the World Bank early next year, key Government sources said yesterday.

The loan will go towards balance of payments support and the financing of development projects in some 20 public enterprises.

Approval follows weeks of negotiations between the Government and the World Bank. During those weeks both parties worked out performance targets to be adhered to by the public enterprises, which have formed the basis for conditionalities laid down for the loan.

The **Gleaner** understands that an advance team from the Bank which should have come to Jamaica in October had been stalled as a result of the Government's US\$70 million arrears with the International Monetary Fund.

However, later in the month a representative of the Bank came to have talks with the public enterprises, especially the utilities, signalling that the Government had arrived at some agreement on the arrears, according to Government sources.

The Bank's representative and the

Government were able to agree on conditionalities for the loan. Each entity which will benefit from the loan have a performance target to which it must stick.

Apart from balance of payments support, the US\$50 million loan will also be disbursed in other areas to fuel economic recovery.

In September, the **Gleaner** reported that the World Bank had sent a memorandum to the Government outlining further measures to be undertaken for the profitable operations of five transport utilities: Port Authority of Jamaica, the Jamaica Railway Corporation, the Airports Authority, Air Jamaica and Jamaica Merchant Marine.

The report said that time-tables and performance projections had been tied to the measures which the Government had started examining.

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CSO: 3298/052



## INVESTMENT, TRADE, TOURISM DISCUSSED WITH JAPAN

Kingston THE DAILY GLEANER in English 10 Nov 86 pp 1, 3

[Text]

MINISTER of Tourism Senator Hugh Hart recently returned from a seven-day visit to Japan where he led a delegation comprising the chairman of Air Jamaica, Mr. Tony Hart; the Director of Tourism, Miss Carrole Guntley; and Dr. Allan Kirton, Permanent Secretary in the Ministry in intensive discussions aimed at developing tourism relationships between the two countries, and increasing the flow of visitors from Japan to Jamaica.

The Minister met with his counterpart, the Hon. Ryutaro Hasimoto, Minister of Transport (Tourism) and his Director-General (Permanent Secretary) Mr. Sumio Shioda, at which time the purpose of his visit was outlined and received full support. He subsequently met with the two international airlines, Japan Air Lines and ALL Nippon Airlines, the Japan Association of Travel Agents, and several of the leading travel agencies, as well as with the Japan Golf Association.

Proposals on joint fares were put forward by Air Jamaica which would lead to the establishment of a relatively low fare structure from Japan to Jamaica, using the gateways of Los Angeles, Atlanta, New York and Toronto, in the case of Japan Air Lines; and Washington, in the case of ALL Nippon.

A special package, including air fares, ground transfers, hotel accommodation and tours, was discussed with the airlines and tourism-related agencies. Further talks will be held within the next six weeks to refine the packages that they will be acceptable to Japanese visitors, both from Japan and those residents in North America.

Golf packages, which will allow Japanese golfers to play on any of Jamaica's nine championship courses, will be developed at competitive rates.

The Minister also discussed with the New Otani Hotel group and other Japanese investors a joint ventures proposal for hotel investment in Jamaica.

On non-tourism matters, including some related to his other portfolios, the Minister met with senior officials of the Ueshima Coffee Company, Mitsubishi Heavy Industries Ltd., Kajima Corporation, and Toyo Menka Kaisha Ltd.

Among the topics were the production of peat in pellet form, the extraction of gallium from Jamaican Bauxite in the Bayer process, by which most of the gallium produced in the world is currently extracted; and the possibility of obtaining short take-off energy-saving aircraft for domestic use.

The President of the Jamaica/Japan Society, Mr. Tadao Ueshima, hosted a welcome party for the Jamaican delegation which was attended by officials of the Japanese Ministry of Transport, the Ministry of Foreign Affairs, Japanese companies based in Jamaica, and a large number of representatives from tourism agencies.

The group was also hosted to a farewell dinner by the Ministry of Foreign Affairs.

The Minister hosted a cocktail reception while in Japan, the venue of which was decorated with posters on Jamaica. Brochures in Japanese on

the island's tourism industry and golfing packages were distributed, and videos on Jamaica and its golfing attractions were shown. There was a background on reggae music, which has a significant level of popularity in Japan.

Senator Hart said that the hospitality, warmth and enthusiasm with which he and the delegation were received in a number of the business and social meetings was evidence of the high degree of interest by the Japanese community at the prospect of increasing trading and other relationships between our two countries.

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CSO: 3298/052

## MINISTER TO PROBE TREATMENT OF CANE CUTTERS IN FLORIDA

Bridgetown CANA in English 2143 GMT 26 Nov 86

[Text] Kingston, Nov 26--Jamaica's labour minister, J.A.G. Smith, was leaving for Florida today to investigate the conditions under which 200 Jamaican sugar cane harvesters were fired last week and hustled home.

Smith, who is being accompanied by his permanent secretary, Probyn Aitken, said he wanted to get firsthand information because of threats to the [unintelligible] scheme following the incident, and conflicting reports by the returned cane cutters and Jamaica's liaison officers in Florida.

According to the labour minister, the problem could lead to the increased use of mechanical harvesters for sugar cane and a reduction in the importation of workers. Harvesters were re-introduced at the start of the current season, he said.

These matters would be discussed with sugar cane growers.

We have 9,000 workers already in Florida, he told reporters, and if I am not successful nobody will be able to go on the programme from Jamaica in the future.

St Vincent has been cut off already and the whole programme is in danger.

It was not immediately clear what was the reason behind the elimination, or when it happened.

The Jamaicans returned Sunday claiming they were among hundreds of Caribbean workers fired by Okeelanta Corporation of South Bay, Florida because of a strike for higher wages.

Armed officers with dogs were used to remove them from their camp and they mostly returned home without belongings and pay, the farmers complained.

The whole system is a fraud, said spokesman Vernaldo Williams. They treated us like pigs and dogs. They treated us like blacks in South Africa.

However, he indicated the problem that has now surfaced went deeper than just the issue of wages. Jamaican farm workers in Florida earn a minimum of U.S. \$5.30 per hour, officials here said.

Under the seasonal farm workers scheme, hundreds of Caribbean nationals are hired to work on American farms during harvest, the attraction being that they provide a resource in a sector where U.S. labour at the wage rate is hard to find.

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CSO: 3298/052

## SUGAR INDUSTRY SEEN UNDER ATTACK FROM VARIOUS QUARTERS

## Queries About Belize Deal

Kingston THE DAILY GLEANER in English 6 Nov 86 p 3

[Excerpts]

**T**HE GOVERNMENT WAS CHALLENGED yesterday to state its "real plans for the sugar industry" and to explain its reconciliation of the lease/purchase of a closed sugar factory in Belize by Petrojam, with the closure of Jamaican sugar factories.

The calls were made at the monthly meeting of the Board of Management of the Jamaica Agricultural Society.

In a heated discussion, the JAS Board members said it seemed strange that while some \$20-million of Jamaican capital had been committed to resuscitate a closed factory in Belize, no such financial support had been forthcoming to save the three local sugar factories closed over the past four years, nor others which were even now slated to be closed.

On a motion moved by the cane farmers' representative on the Board, Mr. Ken Haughton, the Board unanimously resolved to ask Government to "state openly its real plans for the sugar industry in general, and, in particular, explain its reconciliation of the lease/purchase of a factory in Belize with the closure of Jamaican factories".

The situation, said Mr. Haughton, had been made even more acute by the circumstance that Jamaica now operated in violation of the Lome Convention which stated that it must produce sugar, firstly for consumption and then for export to fill its quotas.

"We are, in fact, doing the very opposite. We are exporting what we produce and importing sugar for local consumption. And we are also importing molasses in order to make rum," he declared.

Mr. Haughton, who is vice-chairman of the All Island Jamaica Cane Farmers Association, said the truth of the matter was that "we are not producing enough sugar to fill our quotas, and the more factories we close, the less sugar we will be producing".

Cane farmers' view, he said, was that "good Jamaican capital has taken flight from here to Belize — capital that is needed to fuel and refurbish local sugar factories" and they wonder what was Government's policy towards the sugar industry. If the factory in Belize was resuscitated, he believed it would have to look to Mexico and Guatemala for its labour force because the total population of Belize was less than a quarter million.

Mr. Haughton suggested that the Government should now consult

with the electorate to seek its opinion on this latest development and take steps to see how the country could retrieve the capital which had gone to Belize.

In addition to passing the resolution calling on Government to state its policy on the sugar industry, the meeting also passed a resolution reminding the Minister of Agriculture, Dr. Percival Broderick, of the previous call for a statement of Government's agricultural policy for the parish of St. Mary, made at a mass meeting of farmers in April this year. Action was necessary, said Board members, in order to save the parish from total collapse.

### Foreign Designs

Kingston THE DAILY GLEANER in English 10 Nov 86 p 3

[Text]

THE CHAIRMAN of the All Island Jamaica Cane Farmers' Association, Mr. T.G. Mignott, has charged that there is a systematic plan to destroy the island's sugar industry.

"Whether this is at the behest of the I.M.F., the World Bank, simply the clever notion of foreign advisers on their own volition, or as is more probable, a combination of all, is academic at this point. The simple, bald fact is that they have set about the destruction of Jamaica's sugar industry, and this has been systematically planned," Mr. Mignott said.

What he termed as a "final proof" to this systematic plan was the recent revelation that the government was leasing or purchasing a factory in Belize, about the size of Gray's Inn, to produce alcohol for Petrojam's ethanol operations.

"This is beyond all understanding," noted Mr. Mignott, as the J\$20 million slated for the lease represented three times the amount what was needed to keep Gray's Inn open.

Citing other cases contributing to the phasing out of the sugar industry, the AIJCFA chairman noted that although sugar fell under the portfolio of the Ministry of Agriculture, not all decisions affecting it were made in that Ministry.

"The anomaly of a major section of the country's agricultural policy being out of the reach of the Ministry cannot be allowed to continue," he stated.

Another situation which Mr. Mignott viewed with concern was the Eastern Banana Company's plans to acquire a further one thousand acres of land on the Duckenfield Sugar Estate in St. Thomas.

He also noted that at present Jamaica did not produce enough sugar to fill export quota and supply local consumption.

/13046  
CSO: 3298/052

## SATELLITE TRANSMISSION OF GOVERNMENT NEWSPAPER DEFENDED

### EL NACIONAL Editor Explains

Mexico City PROCESO in Spanish No 520, 20 Oct 86 pp 6-8, 10, 11

[For related article, see JPRS WORLDWIDE REPORT: TELECOMMUNICATIONS POLICY, RESEARCH AND DEVELOPMENT of 6 October 1986 (JPRS-TTP-86-024), p 17]

[Text] An undeclared war is jolting northern Mexico: a newspaper war. The combatants are the same ones who face off against each other in electoral contests in the region: the government and the most powerful business groups.

Representing the government, EL NACIONAL has already undertaken an ambitious expansion program via the satellite "Morelos" to reach major provincial cities.

Representing business, Monterrey's EL NORTE, unquestionably one of the most influential conservative papers outside the capital, is counterattacking. EL NACIONAL, it says, is using government funds and technology to create "the most sophisticated, modern and expensive political propaganda tool in Latin America."

And it is in Monterrey, in a clear-cut challenge to the economic might of the northern private sector, that Mario Ezcurdia, the editor of EL NACIONAL, has established the first link in what, according to the plan, will be a nationwide newspaper chain.

The project involves transmitting by satellite the negatives of the pages of the paper that circulates in Mexico City, an operation that lasts but a few seconds. Thus, the same content will be printed up in each place included in the plan, except for the section with news on the Federal District, which will be replaced by a section of local news, for which purpose EL NACIONAL will have a small team of writers in each city.

In an interview in his office on the fourth floor of the EL NACIONAL building, Ezcurdia defended his project, asserted that the government paper takes an independent journalistic tack, denounced the "fierce rightwing opposition" from most of the provincial press and criticized the national papers:

"They are not made for readers; they are made for the government."

Ezcurdia denied that government funds are being used to develop a political propaganda tool, asserting:

"Any paper can use the Morelos satellite to reach the provinces. If they are not, it is either because they do not want to or are unaware of the possibility. But that's not my fault."

According to Ezcurdia's plans, EL NACIONAL in Nuevo Leon, which has been in circulation since last August, will soon be joined by editions in Hermosillo, Chihuahua and other capitals in northern Mexico.

In response to the claims that the project is soaking up a fortune in public monies, Ezcurdia, who has 40 years of experience in journalism, states:

"These are false charges. They are not government funds, nor is it as much as they claim. The investment is from EL NACIONAL's own resources, from its profits. We make money in Mexico, especially from our printing plant, which is the largest and finest in Latin America. A lot of people have become millionaires through printing. Moreover, we entered the printing industry market under very favorable conditions, because of the excellence of our equipment, which offers high-quality, low-cost work.

"Furthermore, we have good advertising, not much though, because we do not sacrifice news space. We administer all this as well as we can and save money. When we save up enough, we buy equipment or raise our wages. These are the only two things on which we spend money. The only luxury item here is our equipment, our machines. And our technicians, who are really something. But they were already here. The only new ones we have hired are the electronics engineers for the satellite operation."

[Question] How has the expansion project proceeded and how much has it cost?

[Answer] The project is as simple as could be. We had to purchase a laser facsimile machine, which reduces the pages of the paper to an electronic signal to be transmitted via satellite. And other similar machines perform the operation in reverse in the receiving cities. We held a competitive bidding for the supplier. Four foreign companies took part, and we chose the one that offered the best specifications and the lowest budget. That simple. The billions that people are talking about actually boiled down to \$38,000, dollars that we bought last year when the exchange rate was 300 or so pesos to the dollar.

[Question] Well, to this we would have to add the money spent in each city in which the equipment is installed...

[Answer] A minimal amount. In Monterrey we did buy a rotary printing press for the edition that is distributed in Nuevo Leon. We bought a Harris B-15, which puts out 25,000 copies an hour. Do you know where the Harris is built? In Saltillo. And there was also the conversion of a building, photomechanical and photocomposition equipment, etc. In all we spent 612 million pesos. We



will not be spending as much in other cities. We are entering into partnerships with local papers that will print up the paper to order for us. Even so, the paper is quickly nearing the break-even point in Monterrey, because most of the costs are already being covered by the paper in Mexico City and because it is starting to get advertising, which we do not ask for and which Monterrey advertisers are giving us all by themselves. [end of answer]

Before taking over as editor of EL NACIONAL, Ezcurdia worked for the press office of the presidency during the days of Adolfo Lopez Mateos. He was editor of the magazine LINEA, the ideological mouthpiece of PRI, assistant editor of EL DIA during the time of Enrique Ramirez y Ramirez and a columnist for the same paper for many years. In EL NACIONAL's recent history, he was preceded in the job by Fernando Garza and Luis M. Farias, who later served as governor of Nuevo Leon.

[Question] Was EL NACIONAL distributed in cities in the interior before your expansion project?

[Answer] Yes, but not very widely, like all newspapers from the capital. A newspaper is a most perishable piece of merchandise, and the more perishable an item is, the better the distribution system it must have. Otherwise, it spoils. Newspapers have a crazy distribution system. It vanishes at 0530 hours, when the newspaper boys take off. You have to be on time. And you can't be on time in the interior unless the paper is printed there. There are no flights or other modes of transportation that will get to any provincial town by 0530 hours, except on the outskirts of the Federal District. We get there after the newspaper boys have already left to distribute the local papers. Some newspapers have tried to get an early start and make it there before others, but the bundles just sit there. Nobody opens them, because the newspaper boys aren't going to come back for one paper; they come back for all of them. So, the Mexico City press circulates late in the provinces and is read by elites: politicians, intellectuals, businessmen, but it does not get to the masses. The secret is to print the paper right there. You save the transportation costs and get it out on time. This is the only way to compete with the local papers.

[Question] And what is a government paper doing competing with the, shall we say, commercial press?

[Answer] Why not? Let's clarify something. This is not an official paper. The paper we publish here is not the mouthpiece of the government. This is a parastate enterprise of the Mexican Government, but it is a newspaper. Period. Just like Pemex makes gasoline. Period. Not a government gasoline. This is a newspaper, a fundamentally informational medium, not a medium for opinions. And what is more, a medium that is completely loyal to its readers. We are somewhat like grocers who sell news. We have to give people a full kilo. We print all the news, we exclude nothing. We do rank news in importance in accordance with our judgment, as every paper does. We have minimized the opinion aspect to an editorial page: one page and one column. At times the government speaks up, and we say so; we identify it as clearly as we can.

look, when someone buys a newspaper, they don't ask who the owner is; they buy it because they like it, because it interests them, because they think it's OK or because it's inexpensive. Perhaps in some elite circles people don't buy a paper because so and so or the government owns it. But they are in a minority. We are not interested in the privileged few; we address ourselves to the workers. And I think that we are reaching the quarters we want to.

[Question] You mentioned ranking news in importance. Doesn't EL NACIONAL's criterion for this follow government guidelines?

[Answer] It follows my political criterion, of course.

[Question] But ultimately the government's, because...

[Answer] No, not ultimately the government's. Ultimately mine. I am the editor. No one tells me: put this up here and that down there; publish this and don't publish that.

[Question] Aren't you in touch with government agencies?

[Answer] I am in touch with them all. Look, here are the telephone systems. But one of the conditions on which I accepted this job is that I would be the editor. The day that they give me instructions that run counter to my view, well, very simply, we are all entitled to say: if you'll excuse me, gentlemen, I'm leaving. It hasn't happened.

[Question] But on the other hand, can you oppose a government policy?

[Answer] Why am I going to oppose it, when I agree with government policy? What I'm telling you is that I agree with my view, not with yours or someone else's. With mine, because I can think only with my own head. That is the key. EL NACIONAL operates like any other paper; in other words, the editor decides what gets done, not people outside the editorial office.

[Question] Nevertheless, the relationship between the editor and the owner of a newspaper is a very close one...

[Answer] Yes, but in this case we are more loyal to the people who buy our paper, for one reason. I'll explain it to you; it's very simple. All Mexican newspapers (and I am saying this as a professional journalist, not as editor of EL NACIONAL) are made for the government, not for their readers. They are all interested in whether they are being read by high-level officials, and if not them, well, the big businessmen, the union elites or intellectuals. I've never heard a journalist say: So many people read me, they were grabbing papers from me. They say: So-and-so, some official or other reads me. But since this is a government paper, it cannot be made for the government. No one whispers in his own ear; no one tells secrets to himself. Therefore, it had to be made for the masses, or else it won't work. There were times when it didn't. A newspaper sells because readers like it. That to me is the only important yardstick for a paper. What matters is how many people read it, not the quality of the people who read it.

[Question] What do you mean by papers being made for the government?

[Answer] They look to the government as their main audience. They want the government to listen to them, by criticizing or praising or trying to influence it, but they want the government to read them. This leads to a very odd style of journalism that is like none other in the world. Many rules that are regarded as traditional in journalism do not apply here. The writing is for people who have a high level of education, professional degrees, who are skilled readers. No one detracts from the respectability of those kind of papers. There are newspapers that were founded for that reason, to be showcases for a group of writers. That is the problem with most of the national press.

[Question] Based on this desire to make the government their audience, what are the characteristics of the relationship between the press and the government?

[Answer] Each paper has its own relationship. I am loyal to my trade. And I don't eat dog meat. To me, all journalists are respectable. And if one does something that is not respectable, he surely wasn't a journalist. Now then, as for the relationship...well, everyone has every right to put out his newspaper the way he wants and for whom he wants. That is part of freedom of expression, the essence of democracy. Why do we have to pigeonhole them?

[Question] How close is your relationship with the Interior Secretariat?

[Answer] Well, it's stated in the law: EL NACIONAL is under the Interior Secretariat as a sectorized parastate enterprise. Just like Pemex is under the Energy, Mines and Parastate Industry Secretariat.

[Question] This certainly dictates its views.

[Answer] What do you mean dictate my views. My views are in keeping with...of course, these are the views of the Mexican political system. I am a man of the Mexican Revolution. All my life I have written in accordance with this line, none other. Moreover, I still believe that it is the proper solution to the country's problems.

[Question] But in running a paper and trying to reach what you call the masses, political views...

[Answer] To reach that public what you need to do is employ a technique, journalistic technique. The issue is now what you say but how you say it.

[Question] But there is no such thing as abstract journalism. What you are doing carries a political meaning.

[Answer] Everything carries a political meaning. The fact that you and I are talking here carries a political meaning.

[Question] Well, EL NACIONAL is presumably run the same way, with political intentions.

[Answer] I just told you with what intentions: those of the political system, those of the Mexican Revolution.

[Question] Or of some official...

[Answer] No, not of some official. I'm very slow in that regard; I have a very bad memory and I forget officials' names. What matters to me is political action, not who carries it out. That's a very personal trait. I have never written against the individual.

[Question] Don Mario, there are still doubts about EL NACIONAL's objectivity in its treatment of certain public matters. In the case of Silva Herzog's resignation...

[Answer] Oh yes, the tongue-lashing we gave him...

[Question] I thought that EL NACIONAL waited several days before commenting on the issue, as if waiting for instructions...

[Answer] No, several days did not pass. Well, in the first place one has to think over one's editorials carefully, above all when they are on that important an issue. We publish an editorial on the issue of the day, but it is generally in a lighter vein. The Silva Herzog affair was very serious. And the editorial on the departure of the finance secretary did not stem from the departure itself but from the reactions that it prompted among public opinion. So it stands to reason that it was 1 or 2 days late, but no more. We thought: Oh boy, there's a big row in the works over this...We have to point out certain things, certain facts, point them out in a commentary, because we had already done so as news. We have to highlight them in an editorial. It was the first time that we put an editorial on the front page.

[Question] Have they ever brought anything the paper has published to your attention?

[Answer] No, never. Well, yes, in the beginning some minor officials who were used to other people and other times thought that they were entitled to complain to me about something that they didn't like. It happened just a few times. They soon learned that it was like talking to a wall.

[Question] What do you think of government policy towards the press?

[Answer] I find it very favorable to the press. The first positive development was having ended dependency on overseas sources of newsprint. You know that a high percentage of it used to be imported. Given the country's current situation, most newspapers could really not afford world prices. A ton of Mexican newsprint must be about \$14 below the international price, and with the freight costs, add another \$20 or \$30. Second, the government is still for the most part the biggest advertiser, the one who pays the press the most money for its advertisements. But there is freedom, there is

independence. What better proof of the independence of journalism in Mexico can there be than the fact that a very high percentage of the papers are totally opposed to the government.

[Question] Really opposed?

[Answer] Absolutely, totally and rabidly opposed. I would suggest that you take a look at the press in the provinces...In its opposition it goes to the extreme of twisting the truth almost every day, of making up falsehoods, of slandering, of attacking, and so emotionally that it violates the standards of journalism. Eighty percent of the newspapers in the interior are like this.

[Question] But not the so-called national press..

[Answer] Well, but those papers circulate only in Mexico City. We're talking about the whole country. What does it matter when 2,000 copies of the national papers get to a town when 150,000 copies of the local papers were printed up all told. I repeat: in general, the tone of the Mexican press, from an overall standpoint, is critical and, in some cases, is that of a fierce opposition, a rightist opposition. There are states in which local chains are owned by people who are overt rightwing activists and who use their papers as mouthpieces. Those papers are surviving; no one does anything to them, and they are a very good business on top of it. If they weren't, they wouldn't be put out. I think that this overview is very illustrative and convincing proof of how things stand. Nevertheless, I respect the right of all newspapers to say whatever they wish. If I didn't I would be committing suicide as a professional journalist and, furthermore, denying the essential principle of freedom of expression.

[Question] There are, however, mechanisms of control, such as PIPSA [Paper Producer and Importer, Inc]...

[Answer] What does PIPSA have to do with it! PIPSA is an enterprise whose council all of us newspaper editors are members of, and we decide the policy it pursues. We now hold board meetings every 2 months (we used to meet every month, but the others found it too much trouble) to review the accounts thoroughly. There was a time when there were problems, owing above all to the allocation system. PIPSA functions like a newspaper bank. Let's come out and say it: every newspaper in the world ought to have newsprint reserves in its warehouses for at least 2 months. None does. What for, if PIPSA has them here in its warehouses and can bring them to me right away in its truck. What happens then? The financial costs of having that money tied up are being defrayed by PIPSA, not me. And this goes for all papers. There is no newspaper in Mexico that is printed on paper that does not come from PIPSA.

[Question] Is there really equal opportunity for all papers? Could any one of them use the Morelos satellite?

[Answer] Any one. I use it for one reason. Because as soon as I found out that the launching date was approaching, I bought a sheet of EL NACIONAL stationery and wrote up an application saying: I want to register as a satellite user. I sent it in; they stamped it, and I said to myself, now I'm



the first, the first one with rights. But I use only 1 of the 16 transponders that a satellite has. The others are available for those who would like to rent them.

[Question] And does EL NACIONAL pay rent?

[Answer] Of course. The truth is that we haggle a bit. The rates seem very high to us. We are paying under protest.

[Question] How much are you paying?

[Answer] Twenty-four million pesos a month. But that is no secret. The rates are published in the Official Gazette. There are not many of us using the satellite. There's us, Televisa of course, Imevision, perhaps a few private individuals, some banks I think, Pemex, the navy. But not the newspapers. If we have been able to invest in this given our modest financial status, the other wealthy newspapers in Mexico should be able to.

#### Criticisms by EL NORTE Editor

Mexico City PROCESO in Spanish No 520, 20 Oct 86 pp 8-9

[Text] In the view of the editor of Monterrey's EL NORTE, EL NACIONAL's plan to expand into cities in the interior by using the Morelos satellite is a government scheme that has nothing to do with the journalistic activity that Mario Ezcurdia, the editor of the state-owned paper, proclaims.

According to Alejandro Junco de la Vega, it is primarily a political plan, combined with legal obstacles to the use of the Mexican satellite by private newspapers.

Putting out 100,000 copies a day and 150,000 on Sundays, EL NORTE has distinguished itself for its independence from both the Nuevo Leon state government and the federal government. It is without question the sort of paper that Ezcurdia describes as a "fierce rightwing opposition."

It was EL NORTE's editor, Junco de la Vega, who was charged with presenting the Report on Mexico to the 44th Assembly of the Inter-American Press Association (IAPA) last September in Vancouver, Canada.

Junco de la Vega had the following to say there about EL NACIONAL's project:

"It is pointless to predict that our country's economic problems will not be solved through investments such as the ones entailed in this project and its future deficit-ridden operations."

EL NORTE's warning was joined by objections from various Monterrey private organizations, which they made public in a spread in that paper. They primarily spoke out against what they call "the seven-figure squandering" of public funds on the government newspaper's project.

A few days later Ezcurdia replied in an editorial on the front page of the local news section of the Nuevo Leon edition of EL NACIONAL:

"We assert that 3.5 billion pesos were not needed, as is claimed, but rather around one-sixth of that amount, and not a single cent of it came from federal government funds, inasmuch as the entire cost was defrayed with our own funds, generated by the Mexico City edition of EL NACIONAL.

"The institutions that signed the spread to which we refer can verify this by consulting the Expenditures Budgets of the Federation for 1985, when the essentials of the equipment that this paper installed in Monterrey were acquired, and for 1986.

"This is, thus, a legitimate investment by a parastate enterprise that, pursuing the policy of decentralization, is using the funds obtained from its own operations to create jobs and acquire advanced technology so that in the country's main cities it can perform the reporting tasks that are the fundamental reason for its existence."

In the report that Junco de la Vega read to the members of the IAPA, which represents the most conservative press in the United States and Latin America, the section on EL NACIONAL's project said this:

"At a time when millions of destitute Mexicans do not have the security of a minimum livelihood and are emigrating in search of better conditions, at a time when numerous private and even government enterprises are closing owing to lack of funds, at such a time the precious funds of the public treasury are being used to found nationwide newspaper chains.

"On 27 August of this year Mexico became the first country in the Western Hemisphere to use the new tools of space-age technology to transmit digitized newspaper pages simultaneously all over the nation via the Morelos satellite.

"The new transmission and printing system used by the government newspaper EL NACIONAL will be implemented at 11 of its own full-color plants around the country, the city of Monterrey being the first link in the new chain.

"The first satellite edition is similar in concept to the American paper USA TODAY, which is privately owned. Last year it lost \$84 million in spite of its successful pressrun of already more than a million copies.

"Its Mexican counterpart, EL NACIONAL, which is also printed with full-color weather maps and abundant illustrations, is destined for deficit-ridden operation, to judge by the outward signs:

"--EL NACIONAL costs 13 cents, USA TODAY 50 cents.

"--EL NACIONAL has five sections, USA TODAY four.

"--EL NACIONAL has 18 full-color pages, USA TODAY 12.

"--EL NACIONAL charges \$740 for a one-page color ad, USA TODAY \$41,900.

"It is pointless to predict that our country's economic problems will not be solved through investments such as the ones entailed in this new project and its future deficit-ridden operations. This chain of government newspapers is the most sophisticated, modern and expensive political propaganda tool in Latin America.

"Those who demand real solutions to their lack of jobs, housing, food or clothing will hear only official explanations of why they are indigent. Those who dream about this state-of-the-art technology serving an independent press need only awaken to the legislative reality that thwarts it.

"Before EL NACIONAL's entrance into the market, a decree that the Mexican Government issued on 21 August 1985 provided for the automatic expropriation of satellite communication equipment from private firms. The decree also provides that a prior concession or permit, granted by the State, is needed to employ this new technology for transmitting the printed word.

"Such legislation brings to mind Johannes Gutenberg (1468), because after his contribution to written communication, several publications appeared by taking advantage of what was then a new technology.

"Louis XIV of France, Henry VIII of England and Emperor Ferdinand II of Germany established a system of concessions and controls for the printed gazettes that began to appear, inasmuch as these "illicit" and "clandestine" publications had to be combated. Explanations had to be given to the people, from the viewpoint of the monarch, about the virtues of divorce, or yesterday's magazines, the gazettes, simply had to be prevented from interfering in the "internal" affairs of the court.

"Article 4, the heart of the Mexican decree, which was published in the Official Gazette 400 years later, provides for the prior concession and, moreover, for the automatic expropriation of telecommunication equipment.

"The article reads: 'From the time that they are installed, the facilities, the apparatuses and, in general, everything that makes up the (telecommunication) equipment shall become the property of the Nation.'

"The decree also provides in Paragraph 3: 'The Secretariat shall set the schedule and approve the personnel who are in charge of the operation of the facilities.' In other words, even in such simple matters as the transmission or reception of cables at midnight or in the early morning, a newspaper would not even have the authority to set the schedule of the employees operating the equipment. Under the law, the federal government has had that authority since August.

"Such provisions have led the executives of the private mass media to the inevitable conclusion that the federal government has deprived independent newspapers of the tools and the control over their own staff to produce the press of the future, in this case, owing to the legislation governing contemporary communications."



Elsewhere in his report the editor of EL NORTE hailed Mexico's entry into GATT under an agreement that he said would permit the permit- and tariff-free importation of newsprint.

He stated:

"Tariff No 48.01A, which covers newsprint in rolls, is on the list of products that will be importable. A quota and tariff system has been established for this raw material, but it will be completely phased out over a 2-year period depending on the results of negotiations for Mexico's entry into GATT.

"By the summer of 1988, then, there will be two or more choices available: either continue buying newsprint from PIPSA, which is currently providing a timely, high-quality and attractively priced product, or import should this ever become advantageous.

"This is good news for freedom of the press in Mexico. The bad part is that it will take 2 years to arrive. When we journalists can choose between two good suppliers of newsprint, the minimum industrial infrastructure will exist for free newspapers and informed readers to exist."

8743

CSO: 3248/74

PRI ACCUSED OF USING UN FOOD ASSISTANCE IN SINALOA CAMPAIGN

Monterrey EL NORTE in Spanish 25 Oct 86 p 1A

[Article by Cosme Haces and Hector Moreno]

[Text] Mexico City, 24 Oct—The foodstuffs that PRI has been distributing during Francisco Labastida Ochoa's campaign for the Sinaloa governorship are part of the aid that the World Food Program (WFP), a UN agency, is sending to Mexico.

Moreover, the civil association Fraternidad Social today denied the statements made by Jose Angel Pescador Osuna, the PRI candidate for mayor of Mazatlan, to the effect that it was the association that supplied the food to PRI for distribution to the needy.

Since the beginning of the week in Sinaloa PRI has handed out more than 4,000 bags containing a 1.36-kilogram can of chicken packed in Holland and a 2-liter can of presumably French oil. The outside of the bag carries PRI propaganda in connection with this Sunday's election.

"We have nothing to do with PRI," indicated Inigo Martinez, who is in charge of the food distribution for Fraternidad Social. "Our organization has been operating since 1982, and one of our internal rules is not to work for any political party so that we do not lend ourselves to manipulation."

An EL NORTE investigation indicates that the Canadian cooking oil and the Struik brand canned chicken from Holland are precisely the items that the UN is supplying in its aid program for Mexico.

Jorge Coswig, the assistant representative of the UN's World Food Program, said that the Dutch chicken and the oil, which he specified was Canadian, not French, that PRI is distributing in Sinaloa in bags bearing the slogan "Vote PRI," are in fact part of the aid that the UN is providing to Mexico.

If this is so, added Rosa Maria Delgadillo, a WFP official, "the political use of these food items could seriously affect aid programs for Mexico."

Coswig clarified that the UN has never supplied foodstuffs to PRI for distribution.

When asked how they had gotten into the party's hands, he indicated that the WFP distributes the foodstuffs only through two institutions: the Secretariat of Health and the Technical Commission for the Rural Employment Program of the Agrarian Reform Secretariat.

Carlos Orozco, a director of the Agrarian Reform Secretariat's program, indicated that "agrarian leaders surely took advantage of the food distribution to invite a candidate to attend."

He reported that the items are distributed to peasant organizations such as the League of Agrarian Communities and that the Agrarian Reform Secretariat has in no way authorized PRI to make use of the food.

"If this happened, it could have been a thoughtless act," he admitted. "It is categorically improper; we are going to correct it."

Dr Manuel Vazquez Valdes from the Health Secretariat admitted that the secretariat is handling the UN foodstuffs and that it does indeed have distribution programs in Sinaloa.

Nevertheless, David Cabello Luna, also from the Health Secretariat, clarified after a brief investigation that the distribution of those items had been called off in Sinaloa some time ago.

He said that they might be coming from elsewhere, such as a neighboring state like Nayarit, where the Health Secretariat has 8 tons of UN-supplied foodstuffs.

Nevertheless, a report from the Health Secretariat in Nayarit indicates that the foodstuffs were transferred to Jalisco, not Sinaloa.

Cabello Luna suggested that the food could have arrived in Sinaloa through the Defense Secretariat, which has a pool of foodstuffs as part of its DN-3 program for disaster relief.

"The Defense Secretariat could have brought the food to Sinaloa to help the victims of the cyclone," he suggested.

He also noted that the Interior Secretariat could have been the conduit through which the food was taken to Sinaloa, inasmuch as it has a food assistance program with the UN to aid the Guatemalan refugees in the southeast.

Nevertheless, Delgadillo, a WFP official, clarified that the UN does not furnish foodstuffs to the Defense Secretariat and that the agreement with the Interior Secretariat clearly provides that the food items can be given only to the Guatemalan refugees.

She said that the Health Secretariat would conduct an exhaustive investigation.

She indicated that a letter of intent was signed at "a very high level" in connection with the use of those foodstuffs, which must be distributed without regard to party or ideology.

Outraged upon hearing the news, she asked to see the photographs of the bags of food and remarked: "It is very clear that they cannot be used for political purposes."

"We hand over the food to the Mexican authorities, but under a contract that stipulates that we must be informed about and that we must authorize to whom the aid is transferred and how it is distributed."

Coswig stressed that he would look into the improper use of the foodstuffs, indicating that the UN would do so as well.

In light of the possibility that the food might also be part of the international assistance for the victims of last year's earthquake, the items were also found in the files of the Federal Comptroller's Office.

Also appearing in the files is "chickens (Holland)," although no brand or any other information is given.

The entry "Shipments from El Rosario Warehouse No 4" lists a total of 51 outgoing crates of Dutch chicken between 29 September and 25 October 1985.

It was officially reported that the Comptroller's Office handed over all of the aid to the Department of the Federal District (DDF), which was in charge of distributing it to the victims.

It was also noted that the DDF took charge of the surplus at the close of the distribution program. The El Rosario warehouse is no longer in operation.

The Dutch Embassy reported that it did not know what kind of cans were being distributed in Sinaloa.

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## MEXICO CITY METROPOLITAN AREA COST OF LIVING DATA

[Editorial Report] Mexico City UNOMASUNO in Spanish of 24 November 1986 p 14 includes in its weekly "Guide for Consumers" the following cost of living data for the Mexico City metropolitan area. Prices are expressed in pesos and the unit of measure is kilograms, unless otherwise specified.

<u>Foods on sale:</u>	<u>at the Federal District Central Food Supply center</u>	<u>at self-service stores surveyed</u>	
	<u>Week: 17 Nov (retail price; smallest size and/or lowest quality)</u>	<u>Week: 12 Nov</u>	<u>Week: 17 Nov (average retail price)</u>
1. Bananas	100-150	137	149
2. Oranges	108-117	118	120
3. Starking apples	--	658	610
4. Hass avocados	350-370	278	322
5. Tomatoes	150-200	347	310
6. Green tomatoes	180-200	409	397
7. Red potatoes	120-160	282	275
8. Carrots	60-80	151	120
9. Italian squash	200	217	246
10. Peas	250	466	434
11. Green beans	250	458	386
12. Serrano chiles	300-350	498	484
13. Poblano chiles	300-320	490	805
14. Romaine lettuce	150 ea.	186 ea.	183 ea.
15. Lettuce	150 ea.	204 ea.	205 ea.
16. Spinefree nopal cactus leaves	100/4 pcs.	318/4 pcs.	402/4 pcs.
17. Lemons	140-160	205	200
18. Medium-sized onions	150-220	361	373
19. Garlic	1200-1600	1637	1722
20. Beans	--	--	--
21. Rice	--	--	--
22. Whole chickens	--	1212	1138
23. High-quality chicken parts	--	1716	1696
24. Pork loin	--	1748	1487
25. Steak	--	1458	1464
26. Beef stew meat	--	659	591

Sausage products for sale at combination department-grocery stores surveyed

	<u>Cheapest Price Found</u>	<u>Highest Price Found</u>
1. Parma mortadella	--	--
2. Zwan mortadella	--	--
3. Fud chicken coldcuts	--	--
4. Chicken coldcuts	--	--
5. Iberomex headcheese	--	--
6. Fud sausage	--	--
7. Fud Vienna sausage	--	--
8. Zwan Vienna sausage	--	--
9. Iberomex Vienna sausage	--	--
10. Fud mortadella	--	--

Milk products and groceries for sale at combination department-grocery stores surveyed

	<u>Cheapest Price Found</u>	<u>Highest Price Found</u>
1. Chalco "panela" cheese	--	--
2. La Mesa "panela" cheese	--	--
3. Kristal aged cheese	--	--
4. La Mesa aged cheese	--	--
5. La Mansion aged cheese	--	--
6. Salted crackers	300	568
7. Pasta for soup	80/200 grams	157/200 grams

Meats for sale at combination department-grocery stores surveyed

	<u>Cheapest price found</u>	<u>Highest price found</u>
1. Whole chickens	--	--
2. High-grade pork stew meat	--	--
3. Ground pork	--	--
4. Cracklings	--	--
5. Ground beef	--	--

UNOMASUNO also reports that Fina wheat flour prices generally went from 231 to 291 between 13 and 22 November.

Mexico City EL DIA ('METROPOLI' supplement) in Spanish 13 November 1986 p 8 reports that at the Villa Coapa marketplace in the Federal District community of Miramontes, as part of a program offering special discounts on Wednesdays, the following prices were found: "Manchego" cheese, 2400; chicken, 900; rice, 320; green tomatoes, 280; tomatoes, 200; papaya, 160.

EL DIA ('METROPOLI' supplement) in Spanish 17 November 1986 p 11 reports that in Naucalpan municipality unspecified cuts of beef are being sold for between 1400 and 1600. It adds that beef stew meat is being sold for 900 in the main town of Naucalpan and municipality working-class districts such as El Molinito, Benito Juarez, Loma Linda, San Agustin, San Luis Tlatilco, and San Antonio Zomeyucan. The newspaper also says that "first quality" beans are being sold at 650, and those of "second quality" are being offered at 300.

EL DIA ('METROPOLI' supplement) in Spanish 25 November 1986 pp 8-9 reports the prices found at one area National Company for Basic Commodities store, reflecting a government Family Budget Support Program scheduled to take effect 24 November: rice, 259; beans, 300; sugar, 160; vegetable oil, 632/liter; pasta for soup, 69/200 grams. It also reports that at a variety of federal government outlets visited bean prices range between 300 and 310, while those for rice run from 259 to 275.

EL DIA ('METROPOLI' supplement) in Spanish 26 November 1986 p 6 carries a survey of goods found in several government and private sector combination department-grocery stores for a range of prices: assorted brands of American-style loaves of sliced bread, 220-295; assorted brands of pasta for soup (200 grams), 74-157; assorted brands of salted crackers, 422-605.

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